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# ***Daily Report***

## **East Asia**

**FBIS-EAS-88-073**

**Friday**

**15 April 1988**

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## Japan

### **Miyazawa on Stabilizing Currency Markets** *OW150255 Tokyo KYODO in English 0245 GMT* 15 Apr 88

[Text] Washington, April 14 KYODO—Japanese Finance Minister Kiichi Miyazawa said Thursday the U.S., West Germany and Japan have agreed to take coordinated action to stabilize world currency markets.

Miyazawa, who is in Washington to attend a series of international financial meetings, told a press conference that the three nations are "confident" that their joint efforts will underpin the dollar and halt a steep fall triggered by the release of the February U.S. trade deficit figures.

Pointing to wild fluctuation on the world currency markets after Thursday's announcement of the U.S. trade deficit for February, which showed an 11.2 percent rise to 13.8 billion dollars, Miyazawa said the scale of intervention by the major central banks will be in proportion to the frenzy among currency dealers in the world markets.

The Bank of Japan will thus step into the Tokyo Exchange Market Friday in support of the dollar, Miyazawa said.

He also said the Bundesbank of West Germany and Federal Reserve Board of New York have already intervened the markets to halt the dollar's slide, moves which are in line with the latest reaffirmation on the coordination of monetary policies among the Group of Seven (G-7) major industrial nations.

Meanwhile, Bank of Japan Governor Satoshi Sumita, who is in Washington with Miyazawa for the monetary meeting, echoed the finance minister's view that the latest orchestrated action by the world central banks is evidence the G-7 nations are making firm commitments to join forces in achieving stable exchange markets worldwide.

### **Decision To Support Dollar**

*OW151121 Tokyo KYODO in English 1101 GMT*  
15 Apr 88

[Text] Tokyo, April 15 KYODO—Japan's Vice Finance Minister Yoshihiko Yoshino said Friday Japan will "decisively" check the dollar's further fall against the yen in a concerted action with other countries.

Commenting on the dollar's plunge to 124.13 yen at Friday's close in Tokyo, Yoshino said the dollar plummeted on speculative selling triggered by the release of disappointing U.S. trade figures for February.

He said the 11.2 percent increase in the February U.S. trade deficit was "temporary," and stressed a determination to continue intervening in the currency market to prevent the dollar from falling further.

He said Japan will take the leadership in working out a framework for solving the global debt issue, as proposed by Finance Minister Kiichi Miyazawa Thursday at a meeting of the International Monetary Fund (IMF)'s policy-making interim committee in Washington.

### **Miyazawa Proposes New Debt Repayment Scheme** *OW150457 Tokyo KYODO in English 0158 GMT* 15 Apr 88

[Text] Washington, April 14 KYODO—Japanese Finance Minister Kiichi Miyazawa urged the establishment of a new debt repayment scheme here Thursday to tackle international debt problems.

Miyazawa told the policymaking interim committee of the International Monetary Fund (IMF) that he believes medium- and long-range measures should be studied in addition to the current case-by-case debt strategy.

Miyazawa said Japan is ready to extend necessary and appropriate contributions to set up a new scheme by winning international consensus through studies by the IMF member nations.

In his address on the opening day Thursday of the two-day meeting, Miyazawa said that global debt-forgiveness proposals or other discount measures would not bring a real solution to the problem and might make it difficult to solve the issue in the long run.

Miyazawa told reporters later that Japan does not have a concrete plan for a new debt repayment scheme but the Tokyo government believes it necessary to take a role in solving the debt problem and is ready to extend cooperation.

He said whether his proposal will be realized is up to the United States, the largest contributor to the IMF.

Miyazawa said in the address it is vital to use IMF funds to support structural adjustment of policies of debtor developing nations.

Miyazawa called for stepped-up cooperation between debtor developing nations and the IMF to strengthen long-term repayment capabilities of debtor nations.

He said private creditor banks would be free to join in a new debt repayment scheme.

Miyazawa also said he welcomes activation of EFF (extended fund facility) supporting the restructuring of debtor nations with medium-income levels.

He also welcomed the fact that the IMF basically agreed to create a new lending scheme to cover unavoidable losses in export revenues and business losses of developing nations due to unforeseen external factors.

**Takeshita on Increase in U.S. Trade Deficit**  
*OW150445 Tokyo KYODO in English 0304 GMT*  
15 Apr 88

[Text] Tokyo, April 15 KYODO—Prime Minister Noboru Takeshita said Friday he does not expect the U.S. trade deficit to widen further for a long time.

Takeshita, talking with reporters briefly in the Diet, was commenting on an announcement Thursday that the U.S. trade deficit rose 11.2 percent to 13.83 billion dollars in February.

Chief Cabinet Secretary Keizo Obuchi called on traders in the markets to remain calm Friday, saying that the U.S. trade balance has been basically improving.

The government spokesman, who made the comment at a press conference after a regular cabinet meeting, said the U.S. trade deficit decreased by 540 billion dollars in February over the same month the previous year.

He said the Group of Seven (G-7) major industrialized nations agreed in Washington Wednesday to do their best to stabilize exchange rates through policy coordination efforts and that Japan will implement that policy.

**Komeito Leader Meets Yeutter, Baker**  
*OW150433 Tokyo KYODO in English 0310 GMT*  
15 Apr 88

[Text] Washington, April 14 KYODO—U.S. Trade Representative Clayton Yeutter said Japan should liberalize beef and orange imports from the United States in a meeting Thursday with Junya Yano, the leader of Japanese opposition party Komeito.

Yeutter told Yano at the U.S. Trade Representative's Office that the Japanese Government should take relief measures for Japanese farmers instead of resisting import liberalization.

As examples of such relief, Yeutter suggested financial measures and cuts in tariffs on imported grains.

Yano also later met Howard Baker, chief of staff to U.S. President Ronald Reagan at the White House and Baker also urged Japan to liberalize its beef and citrus imports from the U.S.

Baker also said the U.S. Government will make efforts to delete punitive clauses against Toshiba Corp. of Japan from an omnibus trade bill under deliberation in the U.S. Congress.

Yano later met Deputy Secretary of the Treasury M. Peter McPherson at the Department of the Treasury.

McPherson called for a qualitative improvement in Japan's overseas assistance, proposing Japan's positive involvement in development programs in countries to which it provides aid.

**MITI 'Pessimistic' About U.S. Sanctions**  
*OW140352 Tokyo KYODO in English 1253 GMT*  
13 Apr 88

[Text] Tokyo, April 13 KYODO—The Ministry of International Trade and Industry (MITI) is pessimistic about U.S. President Ronald Reagan overriding sanctions against Toshiba Corp. proposed by Congress, a senior MITI official said Wednesday.

The official, who requested anonymity, said the situation is moving in an unfavorable direction for the Japanese electronics firm and its subsidiary, Toshiba Machine Co.

The proposed sanctions, included in an omnibus trade bill now up for congressional approval, are to be imposed in retaliation for Toshiba Machine's illegal sales of sophisticated machines to the Soviet Union.

The official said Reagan may, however, veto other clauses that require foreign companies operating in the United States to give prior notice of plant closings and which tighten controls on foreign investment.

As for the so-called "Super 301" clause that would require mandatory retaliation against foreign countries engaging in unfair trade practices, the official said the situation does not warrant optimism in view of the presidential election later this year.

**U.S. Decides Not To Fire Marine Base Workers**  
*OW150635 Tokyo KYODO in English 0611 GMT*  
15 Apr 88

[Text] Naha, April 15 KYODO—The U.S. Forces in Japan Friday abandoned its plans to dismiss Japanese employees working at clubs on the six Marine bases here.

The military authorities unilaterally announced last July plans to fire all 303 Japanese club employees on grounds that the appreciated value of the yen against the U.S. dollar created an excessive financial burden.

The Japanese side strongly opposed the planned dismissal.

The U.S. side decided to retain all the Japanese workers—32 of them submitted resignations last month—amid the Japanese Government's decision last January to revise a Japan-U.S. agreement to enable Japan to shoulder all the allowances paid to Japanese employees serving U.S. bases in Japan by 1990.

The revised agreement was presented for debate at the House of Representatives Foreign Affairs Committee Friday.

On that day, U.S. authorities formally notified the Defense Facilities Administration Agency and the Japanese Employees' Union of their continued employment.

**Tamura Leaves for Trade Meeting in Canada**  
*OW141353 Tokyo KYODO in English 1122 GMT  
14 Apr 88*

[Text] Tokyo, April 14 KYODO—International Trade and Industry Minister Hajime Tamura left for Canada Thursday evening to attend a four-way ministerial trade meeting to open Friday in April Point near Vancouver.

During the three-day sessions, Tamura will exchange views on the current world trade situation and progress made in the Uruguay round of multilateral trade talks with his U.S., European Community (EC) and Canadian counterparts, Japanese officials said.

The trade ministers are likely to focus their attention on the fate of an omnibus trade bill currently being considered by the U.S. Congress, the officials said.

In addition to the meeting, Tamura is hoping to hold bilateral talks with U.S. Trade Representative Clayton Yeutter or a trilateral meeting with Yeutter and EC Commissioner Willy de Clercq to seek settlement of the issue of the Japan-U.S. semiconductor agreement, a portion of which has been ruled as violating GATT rules, they said.

Canadian Minister for International Trade John C. Crosbie, who was moved from the post of transportation minister at the end of March, will host his three counterparts, they said.

Tamura, accompanied by Makoto Kuroda, MITI's vice minister for International Affairs, and Shigeo Muraoka, MITI's director of International Trade and Administration Bureau, are scheduled to return home Monday.

**Invitations To Be Extended to PRC Leaders**  
*OW131341 Tokyo KYODO in English 1044 GMT  
13 Apr 88*

[Text] Tokyo, April 13 KYODO—Prime Minister Noboru Takeshita will invite Chinese Communist Party General Secretary Zhao Ziyang and Premier Li Peng to visit Japan to further develop friendly relations between the two countries, Liberal Democratic Party sources said Wednesday.

The invitations will be extended in separate personal messages to be delivered to the two Chinese leaders by his emissary Masayoshi Ito, chairman of the LDP Executive Council and a former foreign minister. Ito is scheduled to visit Beijing April 17-20 for talks with Chinese leaders including senior leader Deng Xiaoping.

Takeshita met Ito Wednesday to discuss issues pending between Japan and China and gave him messages to convey to Zhao and Li.

According to the sources, Takeshita, in the messages, expressed his firm determination to extend full cooperation toward China in its modernization policy.

The Japanese prime minister also clarified his resolve to further develop bilateral relations, saying a long-range stable relationship between the two countries is essential to the peace of Asia and the world, the sources added.

They said Ito is going to Beijing to "renew acquaintance" with old friends and do spadework for the scheduled visits to China by Foreign Minister Sosuke Uno in May and by Takeshita in August.

Ito is not planning to discuss specific issues with the Chinese leaders, the sources said.

However, in his talks with Deng, one of his closest Chinese friends, some specific bilateral issues such as Japan-Taiwan relations and Japan's recent tightening of regulations on exports to communist-bloc countries may come up, the sources also said.

Ito will once again visit China April 27-May 1 as head of a Japanese delegation to a meeting in Beijing of nongovernment leaders from the two countries.

**Emperor Hirohito Greets New PRC President**  
*OW151053 Tokyo KYODO in English 1037 GMT  
15 Apr 88*

[Text] Tokyo, April 15 KYODO—Emperor Hirohito on Friday sent a congratulatory message to new Chinese President Yang Shangkun who assumed the post last week, the Imperial Household Agency said.

**Uno Expects Shevardnadze To Visit in Fall**  
*OW140943 Tokyo KYODO in English 0634 GMT  
14 Apr 88*

[Text] Tokyo, April 14 KYODO—Foreign Minister Sosuke Uno said Thursday he will hold regular consultations with his Soviet counterpart Eduard Shevardnadze in Tokyo, probably this fall.

Uno, replying to a Komeito questioner at a House of Representatives cabinet committee session said he will use the meeting to renew Japan's call for the return of four Soviet-held islands off Hokkaido.



The foreign ministers will discuss ways to promote economic, cultural and sports links, Uno said.

The previous regular foreign ministerial session was held in Moscow in May 1986 between Shevardnadze and then Foreign Minister Shintaro Abe, who is currently the secretary general of the ruling Liberal Democratic Party.

**Uno on Policy for Diet Members DPRK Visits**  
*OW140543 Tokyo KYODO in English 0443 GMT*  
14 Apr 88

[Text] Tokyo, April 14 KYODO—Foreign Minister Sosuke Uno said Thursday that there would be a flexible government response if members of the Diet (parliament) went to North Korea in an effort to win the early release of 2 Japanese seamen detained there for over 4 years.

Uno made the remark during a 15-minute meeting at the Foreign Ministry with Fukuoka Governor Hachiji Okuda, a Foreign Ministry official said in a briefing.

Okuda called for government efforts for the release of Yoshio Kuriura, 57, of Fukuoka and Isamu Beniko, 50, from Kobe, who were sentenced to 15 years hard labor on December 24 after being convicted of espionage.

No Diet members have so far publicly indicated plans to go to North Korea.

Japan imposed a package of sanctions against North Korea on January 26 tightly restricting personnel exchanges.

The package, announced by Chief Cabinet Secretary Keizo Obuchi, bans visits by Japanese public servants to North Korea, with which Japan has no diplomatic ties.

The government, in announcing the sanctions, blamed North Korea for the November 29 loss of a South Korean airliner with 115 people on board.

Uno also told Okuda that the government will continue to strive for negotiations with North Korea through third countries despite Pyongyang's rejection of such contacts.

The largest opposition party, the Japan Socialist Party, plans to send a delegation of 15 to 20 members to North Korea in mid-June in response to an invitation from Pyongyang. No Diet members are included in the delegation, although party Chairwoman Takako Doi visited Pyongyang last September. Doi urged the authorities to allow the seamen to return home.

They were detained when their ship returned after a trip in which a North Korea soldier stowed away on it and entered Japan.

**Kawara Discusses Olympics With ROK General**  
*OW141143 Tokyo KYODO in English 1055 GMT*  
14 Apr 88

[Text] Tokyo, April 14 KYODO—South Korea's top uniformed officer Gen. Choe Sae-chang called Thursday for Japan's help for a successful Seoul Olympics this fall, government officials said.

Japanese Defense Agency Director General Tsutomu Kawara received Gen. Choe at his office for 15 minutes, said the officials at the Defense Agency.

The Korean Armed Forces chief of staff is currently on a six-day visit to Japan through Tuesday on his way home from a trip to the United States.

**Ministry on 27.3 Billion Yen Loan to ROK**  
*OW151107 Tokyo KYODO in English 0600 GMT*  
15 Apr 88

[Text] Tokyo, April 15 KYODO—Japan will extend to South Korea a 27.26 billion yen loan to help finance six major projects, the Foreign Ministry said Friday.

Of the total, about 4.4 billion yen will be used for urban development in Ulsan, some 5.9 billion yen for expansion of educational facilities and some 4.1 billion yen for the construction of sewage disposal plants in Chongju and Cheju.

The loan carries an interest rate of 4.25 percent per annum with a 25-year redemption term.

The two governments exchanged diplomatic documents on the loan Friday in Seoul, according to the ministry.

**Takeshita, Gandhi Open India Festival**  
*OW151203 Tokyo KYODO in English 1139 GMT*  
15 Apr 88

[Text] Tokyo, April 15 KYODO—In a simple ceremony marked by the lighting of lamps—an Indian tradition—Rajiv Gandhi, Indian prime minister, and his Japanese counterpart, Noboru Takeshita, Friday formally declared open the Festival of India, a six-month long cultural pageant to be held all over Japan.

The festival brings to Japan a message of goodwill from the 800 million people of India, Gandhi told a select audience of 1,500 dignitaries at the National Theater.

Flanked by former prime minister of Japan, Yasuhiro Nakasone and Takeshita, the smiling Gandhi, attired in a dark blue Indian tunic, pledged to work for closer cooperation with Japan.

"We are very grateful for the help Japan has already given us for our development," he said.



Prime Minister Takeshita, in his address, also called the festival a spur that will help build and develop relations between the two countries.

The festival is a valuable opportunity for exposure to the legacy of India's ancient history and heritage, Takeshita said at the 20-minute ceremony.

After the ceremony, a short program featuring odissi, an ancient dance form from the East, raga or Indian classical music, the drums and the flute, was performed for an audience that gave it long, hearty applause.

#### Hail Afghan Agreement

OW151021 Tokyo KYODO in English 0909 GMT  
15 Apr 88

[Text] Tokyo, April 15 KYODO—Prime Ministers Noboru Takeshita of Japan and Rajiv Gandhi of India both welcomed on Friday the signing in Geneva of a set of international agreements which pave the way for the Soviet troop pullout from Afghanistan, Japanese officials said.

Takeshita told Gandhi Japan hopes Afghan refugees would return home voluntarily after the Soviet Union withdraws its troops, which Western figures put at 115,000. An estimated 5 million Afghan refugees live in Pakistan and Iran.

During a two-hour luncheon meeting, the two leaders agreed to promote bilateral relations, including economic cooperation and cultural and human exchanges, Foreign Ministry officials said.

Takeshita was quoted as saying that Japanese-Indian relations constitute one of the pillars of Japan's diplomacy and his government will positively promote economic cooperation with India, said the officials who briefed reporters.

The Indian premier told Takeshita that he will continue his efforts to liberalize the country's economy and to build up an economic environment conducive to increased foreign investment in his country.

Takeshita called on Gandhi to play an active role for establishment of a stable relationship with his neighbor, Pakistan, the officials said.

Takeshita also said he wants both New Delhi and Islamabad to sign the Nuclear Nonproliferation Treaty, saying the Japanese people have strong feelings against nuclear weapons.

Gandhi said that India's nuclear development is only for peaceful purposes while that of Pakistan is for military uses. He said India will not produce nuclear weapons.

Meanwhile, Takeshita reiterated Japan's support for Prince Norodom Sihanouk's efforts to end the nine-year-old conflict in Kampuchea and it will pressure Vietnam to respond to the resistance leader's peace-seeking efforts, the officials said.

Gandhi promised Takeshita that he will convey Japan's view to Vietnam, where he is to visit after leaving Japan Saturday.

Foreign Affairs Minister Natwar Singh, who accompanied Gandhi during the summit session, told Takeshita that trying to oust Phnom Penh's Vietnam-installed Heng Samrin government from power is not realistic and that India will support from the sidelines a peaceful settlement in Kampuchea.

Gandhi arrived in Tokyo Thursday for a three-day visit as a guest of the Japanese government.

His main purpose was to attend the opening ceremony of the six-month-long Festival of India campaign which started the same day.

#### Takeshita Pledges Help for Afghanistan

OW150313 Tokyo KYODO in English 0306 GMT  
15 Apr 88

[Text] Tokyo, April 15 KYODO—Prime Minister Noboru Takeshita said Friday Japan will provide monetary and personnel assistance to support the UN peace-keeping efforts in Afghanistan.

Takeshita, talking briefly with reporters in the Diet, praised the United Nations for its successful mediation efforts which paved the way for the withdrawal of Soviet troops from Afghanistan.

On Thursday, Foreign Minister Sosuke Uno issued a statement saying Japan will dispatch a civilian official to help the world body monitor the Soviet pullout.

#### Government Pledges Grant-in-Aid to Pakistan

OW141003 Tokyo KYODO in English 0922 GMT  
14 Apr 88

[Text] Tokyo, April 14 KYODO—Japan pledged grant-in-aid up to 2.5 billion yen to Pakistan Thursday to help that country increase food production, Foreign Ministry officials said.

The notes to that effect were exchanged between Saeed A. Qureshi, secretary of the Pakistani Finance and Economic Affairs Ministry, and Shunji Kobayashi, Japanese ambassador to Pakistan in Islamabad the same day.

The aid will be used to increase food production by 6 percent a year.

**Donation Made to UN Iran-Iraq War Mediation**  
*OW150303 Tokyo KYODO in English 0059 GMT*  
15 Apr 88

[Text] New York, April 14 KYODO—The Japanese Government has made a special donation of 20 million dollars to the United Nations, a UN spokesman said Thursday.

The Japanese Government made the special donation at the request of the UN Secretariat.

The donation will be used in mediation in the Iran-Iraq war and other UN activities, the spokesman said.

**Opening of Construction Market to Europe Urged**  
*OW141213 Tokyo KYODO in English 1137 GMT*  
14 Apr 88

[Text] Tokyo, April 14 KYODO—The European Community Commission asked Japan Thursday not to discriminate against European firms in opening up its construction market to American business corporations, Construction Ministry officials said.

Joseph Loeff, deputy director of the EC Commission's Foreign Affairs Bureau, filed the request with Susumu Takahashi, vice minister of construction.

Construction Ministry officials replied that Japan will respond to European firms on a case-by-case basis after investigating the openness of their own home markets.

Japan and the United States agreed late last month that American firms will be allowed to bid in seven public works projects.

**EC Shipbuilder Talks Fail To Reach Agreement**  
*OW140258 Tokyo KYODO in English 1112 GMT*  
13 Apr 88

[Text] Tokyo, April 13 KYODO—Japan and the European Community failed to reach agreement on lowering interest rates for ship export finance during their two days of talks in Tokyo ended Wednesday.

Representatives of both sides focused on problems arising from the depression in shipbuilding at the meeting, Japanese officials said.

The two sides agreed that the global shipbuilding slump stemmed from an excess of vessels.

The EC representatives, however, argued that shipbuilders in Japan and South Korea offer below-cost prices, thereby weakening the international competitiveness of European shipyards.

Japan criticized subsidies offered to European shipbuilders and said Japanese yards have reduced their shipbuilding capacities.

Japan demanded that interest rates for ship export finance be lowered in view of Japan's low interest rate level.

The Organization for Economic Cooperation and Development (OECD) sets the minimum interest rate at 8 percent as a guideline.

Both sides agreed to continue negotiations on the issue, the officials said.

**Uno Asks Firm To Stop Buying RSA Coal**  
*OW140248 Tokyo KYODO in English 0550 GMT*  
13 Apr 88

[Text] Tokyo, April 13 KYODO—Foreign Minister Sosuke Uno said Wednesday he is urging the semigovernmental Electric Power Development Co. to cease buying coal from South Africa.

Uno, replying to Japan Socialist Party questioner Sukio Iwatare at a session of the House of Representatives Foreign Affairs Committee, said he deplored the fact that the semigovernmental company was engaged in trade with South Africa, which is under international pressure to abandon its policy of apartheid or racial segregation.

The Electric Power Development Co., which is over 70 percent government-owned, imported 720,000 tons of coal in 1986 under a long-term contract.

Japan overtook the United States in 1986 to become South Africa's largest trading partner with two-way trade reaching 35.9 billion dollars. In 1987, Japan's two-way trade with South Africa came to 42.7 billion dollars, up 19 percent. In yen terms, however, the increase was only 2 percent.

Meanwhile, Uno said that China filed a letter with Japan Tuesday calling for the development of bilateral ties despite a Japanese police search of two Tokyo firms suspected of violating COCOM [Coordinating Committee for Multilateral Export Controls] rules.

Replying to Democratic Socialist Party member Motoo Abe at the same committee session, Uno said that China hoped the scandal would not adversely affect bilateral ties.

The Japanese companies are suspected of selling sophisticated measuring devices to China in 1985 and 1986 in violation of COCOM rules.

**Panel Urges Use of Private-Sector Funds**  
*OW140933 Tokyo KYODO in English 0802 GMT  
14 Apr 88*

[Text] Tokyo, April 14 KYODO—An Advisory Council to Prime Minister Noboru Takeshita proposed Thursday that the government absorb and harness private-sector funds in implementing public works projects in order to stimulate the domestic economy.

The economic council made the recommendation, aimed at making up for a chronic revenue shortfall in state finances, in a report released by its subcommittees on public works planning and on social infrastructure.

In its report on the nation's new five-year economic plan, starting in fiscal 1988, which began on April 1, the council urged the government to absorb and harness the business community's surplus funds—through borrowing or joint financing of public works projects—to complement limited state revenues from taxes, bonds and the sale of stock in Nippon Telegraph and Telephone Corp. (NTT).

The council recommended that the government simultaneously pursue its two long-avowed goals of reconstructing the deficit-ridden state finances and stirring domestic economic growth in order to reduce Japan's huge trade surplus.

The government should put the emphasis on building a high-speed transportation network, creating social infrastructure—like sewerage systems and libraries—as well as laboratories for new high technology developments including new materials and biotechnology, the report said.

The council proposed that the government make efforts to attain an average inflation-adjusted annual growth rate of 3.75 percent a year and a nominal growth rate of 4.75 percent over the next five years.

The report called on the government to reduce its heavy fiscal dependence on deficit-covering bonds by fiscal 1990.

To set its deficit-ridden fiscal house in order, the council hinted that the government should increase its tax revenue by imposing a broad-based indirect tax.

The report said the government should “ask the public to shoulder an appropriate tax burden.”

The council also recommended that the government should pursue economic policies designed to help the Japanese enjoy a higher standard of living commensurate with the nation's wealth and huge export earnings.

**JSP's Doi Meets With Business Leaders**  
*OW150649 Tokyo KYODO in English 0626 GMT  
15 Apr 88*

[Text] Tokyo, April 15 KYODO—Japan Socialist Party Leader Takako Doi kicked off a series of dialogues with the business community by meeting representatives of the Communications Industries Association of Japan Friday.

NEC Corp., Hitachi Ltd., Toshiba Corp. and six other leading electronics companies sent vice president- and managing director-level officials to the meeting which lasted for one and half hours at a Tokyo hotel, JSP officials said.

Tsuruo Yamaguchi, secretary general, joined the party chairwoman in the session.

Doi briefed the business representatives about the JSP's opposition to a government plan to introduce a new indirect tax in a sweeping tax reform this fall.

The business leaders called for cautious handling of the tax reform question and efforts to obtain public understanding on the matter, the officials said.

Doi will hold similar sessions with representatives of various other business groups at a pace of once or twice a month, they said.

**Minister Wants To Stem Anti-nuclear Trend**  
*OW140344 Tokyo KYODO in English 0625 GMT  
13 Apr 88*

[Text] Tokyo, April 13 KYODO—State Minister for Science and Technology Soichiro Ito Wednesday called on the nuclear power industry to stem a growing citizens' movement against nuclear energy.

There must be a response to views which neglect economic activity, call for complete halt of nuclear power, or allege without scientific basis that nuclear power is dangerous, Ito told the opening of the Japan Atomic Industrial Forum's 21st annual conference.

Ito, who also serves as chairman of the Atomic Energy Commission, urged the 1,250 representatives of the nuclear power industry to mount public information campaigns to deter further opposition to nuclear energy.

Development of the industry and a secure energy supply are necessary if Japan is to maintain an affluent standard of living in the 21st century, he said.

In February around 3,000 citizens opposing a power modulation test at Ikata nuclear plant on the island of Shikoku staged Japan's largest antinuclear demonstration since the 1986 Chernobyl nuclear station accident.



Last year nuclear energy provided 32 percent of Japan's electricity. Government planners expect the share to increase to 40 percent by 2000.

Ito also pledged that Japan would meet its international responsibilities regarding nuclear nonproliferation by increasing efforts to ensure nuclear materials are not diverted for use in weapons.

Legislation delineating responsibility for protection of nuclear materials by electric power companies and transporters and establishing punishments for violators is currently before the Diet, Japan's parliament, he told the audience, which included 108 participants from 26 foreign countries and four international organizations.

He predicted that the U.S. Congress would pass by the end of the month a Japan-U.S. nuclear cooperation agreement that would allow tons of plutonium recovered from U.S.-supplied fuel to be transported to Japan.

The agreement would replace a current case-by-case procedure approving such shipments, and has been opposed by members of Congress who say it weakens U.S. nonproliferation policy and poses safety concerns if the plutonium is transported by air.

The meeting will address nuclear cooperation in Asia, prospects for nuclear power development and other topics before ending Friday.

### North Korea

#### South Defector Arrives Via Third Country SK150950 Pyongyang Domestic Service in Korean 0800 GMT 15 Apr 88

[Text] Today, fellow countryman Yi U-kap, who had lived in South Korea, defected to the northern half of the republic via a third country. Relevant functionaries warmly welcomed him with fraternal love. A child presented a wreath to fellow countryman Yi U-kap.

Yi U-kap, who entered into the embrace of the fatherland on the meaningful 15 April, the nation's greatest festive day, exclaimed while at the airport: Long live the great leader Marshal Kim Il-song! and Long live the dear leader Mr Kim Chong-il!

He gave the following explanation for his defection:

[Begin Yi U-kap recording] I am Yi U-kap, a professor at Kunsan Vocational Junior College, Kunsan, North Cholla Province. I worked as a professor for approximately 25 years. I thought: My fatherland is not South Korea but the northern half of the republic. This is because the rascals in South Korea devote themselves to the U.S. rascals; that some day, they will [word indistinct]. Then, which is our fatherland? It is the northern half of the republic.

Because what is propagandized in the southern half of the republic is all false, I thought in the opposite direction to see the truth. When it is advertised that there is none, I knew that there is some. When it is advertised that something is small, I knew that something is big.

To accomplish my purpose, I came. [as heard] I had mapped out a plan to come to the northern half of the republic, my fatherland, and did [words indistinct] according to my plan to arrive in my fatherland before 15 April, the birthday of the great leader. As I hoped for, I arrived on the greatest festive day, the birthday of the great leader. Today, a fine day, I arrived in our true fatherland, the northern half of the republic, where I will live. I disembarked the plane with the thought that my life begins from this moment. [end recording]

#### Daily Commemorates Diplomatic Ties With Iran SK150955 Pyongyang KCNA in English 0904 GMT 15 Apr 88

[Text] Pyongyang April 15 (KCNA)—NODONG SINMUN today dedicates a signed article to the 15th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Islamic Republic of Iran (April 15, 1973).

Referring to the on-going struggle of the Iranian people to defend the revolutionary gains and to build a new prosperous Iran, the article says: The Iranian Government is enforcing a non-aligned policy against imperialism externally.

The Korean people believe that the friendly relations between Korea and Iran will further develop through the common struggle against imperialism, concludes the article.

#### Afghan Ambassador Holds News Conference SK150925 Pyongyang KCNA in English 0837 GMT 15 Apr 88

[Text] Pyongyang April 15 (KCNA)—Mohammad Ayan Ayan, Afghan ambassador to Korea, called a press conference on April 14 at his embassy on the occasion of the 10th anniversary of the April Revolution in Afghanistan. Referring to the victory of the April Revolution in Afghanistan and its significance, the ambassador outlined the present home situation.

After the victory of the April Revolution Afghanistan determinedly severed diplomatic relations with the South Korean puppets and established excellent relations with the DPRK and is actively supporting the Korean People's struggle for the peaceful reunification of the country, he said.



**NODONG SINMUN Marks Kim Il-song's Birthday**  
*SK150454 Pyongyang KCNA in English*  
0852 GMT 15 Apr 88

[1Text] Pyongyang April 15 (KCNA)—Papers here today dedicate editorials to the birthday of the respected leader Comrade Kim Il-song.

NODONG SINMUN today in an editorial entitled "Boundlessly Bright Is the Future of Our People Advancing Under the Leadership of the Party and the Leader" says:

The birth of the great leader Comrade Kim Il-song was a great event in the history of the nation that heralded the dawn of *chuche* Korea and brought about the rebirth of our nation.

His birthday, the 15th of April, is the greatest auspicious holiday of the working class and the people of all other strata.

Comrade Kim Il-song embarked upon the road of the revolution in his early years and has devoted his all to the revolution for more than 60 years to realize the ardent desires of the nation and the times. He started the revolutionary cause of *chuche* and triumphantly led it, thus delivering our people from the crisis of national ruin and ushering in a heyday of national development and prosperity in this land. It was only under the guidance of the great leader that our people could demonstrate their high dignity and honour as a mighty independent nation, making a new glorious history of the times and the revolution.

The history of the Korean revolution is closely associated with the revolutionary activities of Comrade Kim Il-song. The whole course of his revolutionary activities shines as a course of revolutionary activities of the most experienced leader who paved the path of the times leading the revolutionary movement in the van for more than 60 years, as the history of an ever-victorious legendary hero who led a guerrilla warfare and a modern war to victory, and as the revolutionary annals of an outstanding leader of the working class who has performed imperishable feats in the building of a new society, in the building of socialism and communism. All the victories and gains of the Korean revolution and all the changes that have taken place in the position of our nation are attributable to the guidance of the great leader Comrade Kim Il-song.

Respected Comrade Kim Il-song is an outstanding leader who is leading the revolutionary cause along a straight path to victory with his great ideology, theory and politics.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, said:

"Respected Comrade Kim Il-song is a great thinker and theoretician who has evolved the immortal *chuche* idea, and a great statesman who has been guiding our people wisely along the untrodden path of socialism and communism under the difficult and complex circumstances in which we are in direct confrontation with U.S. imperialism."

The respected leader Comrade Kim Il-song is possessed of unexcelled ideological and theoretical wisdom and tested leadership ability. As he led the Korean revolution along the straight path to victory, the people's revolutionary movement for national liberation and independence, social progress and socialism has come to make steady progress. He enjoys high respect and deep trust of the world's progressive people for his immortal contributions to the development of the revolutionary thought and revolutionary movement of the working class.

It is now a trend of the times to respect him as a distinguished leader, to teach and study and follow his *chuche* idea. This gives our people infinite national pride and confidence.

Respected Comrade Kim Il-song is a great leader who has administered politics for the working masses of the people, devoting all his life to the cause for the sake of the people.

Absolute trust in and benevolent love for the people—herein lies his noble personality as an outstanding thinker, theoretician and statesman.

His revolutionary idea is a revolutionary idea and theory which is evolved with the popular masses at the centre, regarding the working masses as the most powerful and resourceful beings, and his politics is a genuine popular politics which respects the people, defends their interests and pushes ahead with the revolution and construction in reliance upon them.

It is the most precious summing-up of our revolution and an immovable creed of our people that we are sure to emerge always victorious when we advance upholding the idea and leadership of the respected leader Comrade Kim Il-song, stresses the editorial.

**Gorbachev Sends Greetings, Gift**  
*SK150836 Pyongyang KCNA in English 0833 GMT*  
15 Apr 88

[Text] Pyongyang April 15 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, received congratulations, a personal letter and a gift from Comrade Mikhail Sergeyevich Gorbachev, general secretary of the Central Committee of the Communist Party of the Soviet Union, on his birthday.

Gennadiy Bartoshevich, Soviet ambassador extraordinary and plenipotentiary to Korea, visited the Central Committee of the Workers' Party of Korea on April 14 and conveyed them to Comrade Hwang Chang-yop, secretary of the WPK Central Committee.

#### **PRC Leaders Send Congratulations**

SK150839 *Pyongyang KCNA in English*  
0835 GMT 15 Apr 88

[Text] Pyongyang April 15 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received congratulations and a basket of flowers from the Chinese party and state leaders on his birthday.

Wen Yezhan, Chinese ambassador extraordinary and plenipotentiary to Korea, visited the Central Committee of the Workers' Party of Korea on April 14 and conveyed them to Comrade Hwang Chang-yop, secretary of the WPK Central Committee.

The ambassador said he was authorized to convey to Comrade Kim Il-song best and warmest congratulations and a basket of flowers from Comrades Deng Xiaoping, Zhao Ziyang, Yang Shangkun, Li Peng, Wan Li and Li Xiannian on his birthday.

#### **Cuban Envoy Hosts Party**

SK140505 *Pyongyang KCNA in English*  
0435 GMT 14 Apr 88

[Text] Pyongyang April 14 (KCNA)—Danilo Sotolongo Hernandez, charge d'affaires ad interim of the Cuban embassy in Pyongyang, hosted a party on April 13 on the threshold of the birthday of the great leader President Kim Il-song.

The party was addressed by Charge d'affaires ad interim Danilo Sotolongo Hernandez.

He said Comrade President Kim Il-song is the supreme creator of the Korean people who has made great achievements by wisely leading the Workers' Party of Korea.

He added the Cuban people express deep reverence and high respect for Comrade Fidel Castro and Comrade President Kim Il-song who have been tempered through the arduous revolutionary struggle against imperialism.

He further said:

The intimate relations established between the supreme leaders of the two countries have greatly contributed to developing the friendly and cooperative relations between the two countries to a higher stage.

We are glad at this and will be a faithful guard of this true friendship.

Declaring that the Cuban government bitterly denounces the "Team Spirit 88" joint military exercises and strongly demands that the U.S. imperialists withdraw their aggression forces and nuclear weapons from South Korea, he said: it always extends firm support and solidarity to the Korean people's just cause of the independent and peaceful reunification of the country.

Kwon Min-chun, vice-director of a department of the Central Committee of the Workers' Party of Korea, spoke next.

Under the meticulous care and guidance of respected Comrade Kim Il-song and respected Comrade Fidel Castro the friendship between the two countries is developing as most exemplary and revolutionary one, he said, and added: We are deeply satisfied with this.

Noting that the heroic Cuban party and people, under the wise leadership of respected Comrade Fidel Castro, are holding aloft the revolutionary banner and successfully carrying on the revolution and construction, shattering the U.S. imperialists' repeated moves of aggression, intervention and blockade, he said: We wish the Cuban people greater successes in the struggle for building socialism and achieving peace and security of Central America.

Cuban artists performed stage pieces at the party.

#### **PLO's 'Arafat Sends Flowers**

SK150920 *Pyongyang KCNA in English*  
0828 GMT 15 Apr 88

[Text] Pyongyang April 15 (KCNA)—The great leader President Kim Il-song received a basket of flowers from Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization, on his birthday.

The basket was handed by Mustafa Safarini, representative of the PLO in Pyongyang, to an official concerned on April 14.

#### **Sihanouk Gives Greetings**

SK150114 *Pyongyang Domestic Service in Korean*  
2100 GMT 14 Apr 88

[Text] Yesterday, the great leader Comrade Kim Il-song, together with his wife, met with Samdech Norodom Sihanouk and his wife, who paid a congratulatory call on him on the occasion of his 76th birthday.

On hand were Comrade O Chin-u and his wife; Comrade Yi Kun-mo and his wife; Comrade Pak Song-chol and his wife; Comrade Yi Chong-ok and his wife; Comrade Kim Yong-nam and his wife; Comrade Ho Tam and his wife; Choe Tok-sin, vice chairman of the CPRF, and his wife; Pak Chae-no, vice chairman of the Chongnyon Central Standing Committee; and Pak Chong-hyon, chairman of the Central Standing Committee of the Democratic Union of Korean Women in Japan.

Samdech Norodom Sihanouk presented a basket of flowers to the great leader Comrade Kim Il-song on his 76th birthday and wished him good health and long life.

The great leader Comrade Kim Il-song expressed thanks for this and had a cordial conversation with Samdech Norodom Sihanouk.

The great leader Comrade Kim Il-song arranged a luncheon for him.

#### **Receives Gifts from Japanese**

*SK140443 Pyongyang KCNA in English*  
0427 GMT 14 Apr 88

[Text] Pyongyang April 14 (KCNA)—The great leader President Kim Il-song received gifts from Tsutomu Iwafuji, president of the Shindaito Kimilsungism Study Society, Japan, and members of the society, and Takui Hanamoto, managing director and president of the Shindaito Shipping Company, Ltd., Japan, on his birthday.

The gifts to the great leader were handed to officials concerned on April 12.

#### **Diplomats Send Gifts, Cards**

*SK150903 Pyongyang KCNA in English*  
0825 GMT 15 Apr 88

[Text] Pyongyang April 15 (KCNA)—The great leader President Kim Il-song received baskets of flowers and congratulatory card and letter on his birthday from the diplomatic and military attaches corps in Pyongyang.

A basket of flowers and the congratulatory card of the diplomatic corps were conveyed by acting doyen of the diplomatic corps Mustafa Safharini, representative of the PLO, and a basket of flowers and the congratulatory letter of the military attaches corps were conveyed by doyen of the corps Franz Schwarz, military attache of the GDR Embassy, to officials concerned.

#### **Foreign Countries Celebrate**

*SK141017 Pyongyang KCNA in English*  
1008 GMT 14 Apr 88

[Text] Pyongyang April 14 (KCNA)—On the occasion of the birthday of the great leader President Kim Il-song, events were held in different countries and articles were carried in foreign publications.

Celebration meeting was held in Portugal.

Francisco da Costa Gomes, ex-president of Portugal, stressed in his speech that the great leader President Kim Il-song founded the immortal chuche idea and has led the Korean revolution along a road of victory. The Korean people owe their happiness and Korea's thrilling reality today entirely to the wise leadership of President Kim Il-song, he said. A message of greetings to President Kim Il-song was adopted at the meeting.

A DPRK film week was arranged in Guinea, an opening ceremony of the DPRK film week and a cocktail party were held in Niger, film shows took place in the Congo and Senegal and a film show and a photo exhibition in Rwanda.

The Pakistani newspaper NAWA-I-WAQT carried an article headlined "President Kim Il-song Opens the Road of Happy Life and Development to the Working People".

Thanks to the outstanding leadership of his excellency President Kim Il-song, Korea has created a worldwide example in all spheres of people's life in a short period of 40 years, said the paper.

The Bulgarian newspaper RABOTNICHESKO DELO dedicated an article to the birthday of President Kim Il-song.

#### **Receives Gifts From Abroad**

*SK141030 Pyongyang KCNA in English*  
1022 GMT 14 Apr 88

[Text] Pyongyang April 14 (KCNA)—The great leader President Kim Il-song has so far received more than 43,000 items of valuable gifts from party, state and government heads, leaders of political parties, parliaments and social organisations, prominent public figures and chuche idea study organisations of more than 150 countries of the world and several dozen international organisations.

There are among them limousines from the Soviet party and government heads, the ivory carving "the old home in Mangyongdae" from the Central Committee of the Communist Party of China, a wrist watch bearing a portrait of President Kim Il-song and his portrait drawn by special technique with letters of an Arabic translation of his work "The Non-Aligned Movement Is a Mighty Anti-Imperialist Revolutionary Force of Our Times." The gifts also include the book "Biography of Kim Il-song," the sculpture "long live the undying chuche idea!", the embroidery "the era of chajusong," porcelain wares made more than 3,000 years ago, a perpetual calendar and a cigarette pipe symbolic of longevity, gold, silver and gem ornaments, rare medicines, animals and plants valued as national treasures, etc.

Gifts highly praising the greatness and immortal revolutionary exploits of President Kim Il-song, gifts reflecting the desire of peoples to fight on staunchly along the road of independence under the banner of chuche and tens of thousands of gifts carrying the ardent wishes of peoples of the five continents for his longevity in good health are all precious articles each of which was made with utmost sincerity.



The gifts imbued with the deepest reverence of all peoples for him will be preserved for ever as national treasures of the Workers' Party age. They are greatly contributing to deepening militant friendship and solidarity between the Korean people and the world progressives.

**KPA MAC Delegation Marks Occasion**  
*SK150928 Pyongyang KCNA in English*  
0840 GMT 15 Apr 88

[Text0] Pyongyang April 15 (KCNA)—The delegation of the Korean People's Army to the Military Armistice Commission on April 14 arranged a joint meeting on the occasion of the birthday of the great leader President Kim Il-song.

Attending there on invitation were the member of the Chinese People's Volunteers [CPV] of the Korean-Chinese side to MAC, members of the CPV liaison office to MAC, and the Czechoslovak, Polish, Swiss and Swedish members and staffers of the Neutral Nations Supervisory Commission.

Major General Yi Tae-ho, senior member of our side to the MAC, and officers of the Korean People's Army were present.

With boundless respect and reverence for president Kim Il-song, the attendants deepened friendly sentiments, playing colourful sports and amusement games and performing stage pieces.

The KPA delegation hosted a banquet for the guests.

**Chongnyon Sends Greetings**  
*SK150848 Pyongyang KCNA in English*  
0805 GMT 15 Apr 88

[Text] Pyongyang April 15 (KCNA)—A message of greetings came to the great leader President Kim Il-song from the Central Standing Committee of the General Association of Korean Residents in Japan on his birthday.

The message says that the respected leader Marshal Kim Il-song, who founded the immortal chuche idea and accomplished the historical cause of national liberation by organising and leading the heroic anti-Japanese revolutionary war under its brilliant rays, has turned our country, once utterly backward, into a powerful socialist country of independence, self-sustenance and self-reliance in defence and brought about a great national heyday.

The message stresses that the Korean people, united as firm as granite in loyal ranks around the great leader, confidently looking ahead to the complete victory of

socialism, are pressing ahead with the gigantic construction to fulfil the third seven-year plan ahead of schedule and that the struggle for peace of the country and its reunification is entering a new stage today under his leadership.

It continues:

You, the great leader, enjoy absolute authority and high respect among the world's progressive people for your immortal feats performed for mankind. And, thanks to your leadership, the world people's support and militant solidarity for our people's cause are growing with each passing day.

You, the great leader, founded the chuche-oriented idea on overseas Koreans movement and formed Chongnyon, brightly illumined the road to be followed by Chongnyon and Koreans in Japan and are rearing them, who had languished under exploitation and oppression, as dignified overseas citizens of the DPRK and patriots of chuche-type.

The entire Chongnyon functionaries and Koreans in Japan who are fervently celebrating the April holiday with great joy are filled with firm determination to remain loyal to the end on the road of the cause of chuche, holding in high esteem invariably you the great leader Marshal Kim Il-song and the dear leader Comrade Kim Chong-il.

We will step up the work for national unity and the movement for solidarity with the Japanese people in keeping with the situation, resolutely oppose the splitists' "two Koreas" plot and new war provocation moves and make energetic efforts to realise the proposal for the convocation of a North-South joint conference, thereby making a positive contribution to the common struggle of the nation for reunifying the country.

We will firmly defend the dignity of the socialist homeland, make a more creditable contribution to the socialist construction of the homeland and firmly defend the democratic national rights of the Chongnyon organisation and Koreans in Japan.

The message sincerely wishes President Kim Il-song good health and a long life.

**SKNDF Sends Greetings**  
*SK150856 Pyongyang KCNA in English*  
0813 GMT 15 Apr 88

[Text] Pyongyang April 15 (KCNA)—The great leader President Kim Il-song received a congratulatory message from the Central Committee of the South Korean National Democratic Front on his birthday.



Noting that President Kim Il-song in his early years embarked on the ambitious course of sacred revolution with grand aspirations for the restoration of state power and national rebirth and recorded the long path with brilliant feats and achievements, the message says:

With your brilliant intelligence and rare leadership, you great president discovered the inherent characteristics of man for the first time in history and founded the chuche idea, a man-centered philosophical idea, thereby indicating the coordinates for the shaping of people's destiny and the orientation of the times, brought the great anti-Japanese war to victory under the banner of chuche and accomplished the great cause of national liberation.

In the North, with you, respected president as the great leader, the party and state of chuche type and regular armed forces could be built on the monolithic foundation of anti-Japanese revolutionary traditions and an astounding leap be effected in the course of which a powerful socialist state of independence, self-sustenance and self-reliance in defence has soared high to throw its rays in the storms of gigantic social changes.

Our brothers in the North are advancing toward the complete victory of socialism, overflowing with vigor and conviction, with you respected President Kim Il-song and dear Comrade Kim Chong-il as the center of unity, the center of leadership and, today, they are immensely stirring the world people by forcefully waging a 200-day campaign of loyalty to make another leaping progress and greet the 40th anniversary of the national day as a grand festival of victors.

The message further says:

The heroic mettle of chuche korea which is advancing along the one road of independence, not shaking in any wind, and accelerating the march of grand peaceful socialist construction, not losing composure under any threat of war on the part of the U.S. imperialists, instills into the fighting South Korean people a great inspiring strength and hope.

Dealt one serious blow after another by the persistent resistance of our people, the U.S. imperialists and the pro-U.S. flunkeyist traitors have extended the military dictatorship to prop up the colonial fascist rule and have gone off into hysterics, staging such large-scale nuclear war manoeuvres as "Team Sprit 88," seeking to host the '88 Olympics single-handedly. But our people are rising up again undauntedly, with determined courage to decisively shatter the vicious criminal intrigues of the enemy.

In keeping with the fast-changing situation, we will further invigorate our activities for awakening and organising the people of all strata on the basis of the chuche idea and wage with greater vigor the anti-U.S., anti-dictatorship struggle for independence and democracy, peace and reunification to bring about a new historic turning point of the national liberation movement.

The message wholeheartedly wishes President Kim Il-song good health and a long life.

#### Pyongyang Readies for Celebrations

SK141013 *Pyongyang KCNA in English*  
1003 GMT 14 Apr 88

["Significant Jubilee of April"—KCNA headline]

[Text] Pyongyang April 14 (KCNA)—Every year in April the birthday of the great leader President Kim Il-song (April 15) is significantly celebrated in Korea.

Pyongyang, the capital city, and all towns and villages across the country are being garbed in festive attire on the eve of the day.

The gala mood is elated by festive slogans and posters, picture boards, fascinating neon signs and clusters of color lamps and beautiful flowers blooming in the park and recreation centres.

Colorful functions are progressing in elation, the whole country overflowing with feelings of unbounded respect and reverence for the great leader.

On the threshold of the April holiday, all the children and students throughout the country have received clothes and foodstuffs which had been sent to them again as gifts under the loving care of the party.

Working people from all parts of the country are visiting Mangyongdae, the birthplace of President Kim Il-song, and revolutionary battle sites and historic sites to study his imperishable revolutionary history.

A ten-day film show celebrating April 15 has opened and a wide range of artistic and sports activities are under way.

Pyongyang is animated with the sixth "April Spring Friendship Art Festival" which raised its curtain on the 7th. More than 100,000 working people and art lovers have already seen performances of actors and actresses from many countries.

Sports games are taking place at Kim Il-song Stadium and other stadiums and gymnasiums in the capital and a central photo exhibition celebrating April 15 opened at the Pyongyang indoor stadium.

Theatrical stages, amphitheatres and makeshift stages at parks and recreation centers are offered for gay performances of professional artistes and youths and students and public catering and service networks are busy with preparations for special service around the holiday.

**Special Bulletins Abroad Praise WPK**  
*OW140607 Pyongyang KCNA in English*  
2244 GMT 13 Apr 88

[Text] Pyongyang April 13 (KCNA)—Special bulletins praising our party were published in foreign countries.

They were issued by the Malagasy National Committee for Supporting the Independent and Peaceful Reunification of Korea, the Togo-Korea Friendship Association, the Mali-Korea Friendship Association, the Malian Committee for Supporting the Independent and Peaceful Reunification of Korea, the Burundi-Korea Friendship Association, the Sierra Leone-Korea Friendship Association, the All India Indo-Korean Friendship Association, the Congolese Committee for Supporting the Proposal for Founding the Democratic Federal Republic of Koryo, the France-Korea Friendship Association, the French Committee to Support the Founding of the Democratic Federal Republic of Koryo, the Sweden-Korea Friendship Association, the Italy-Korea Friendship Association, the Costa Rica-Korea Association of Friendship and Culture, the Venezuelan Committee for Supporting the Reunification of Korea, the Ecuadorian Committee for Supporting Korea's Reunification and the Uruguay-Korea Friendship Association.

The bulletin issued by the Malagasy National Committee for Supporting the Independent and Peaceful Reunification of Korea printed a picture of a humble log cabin in the Mt Paektu secret camp where Dear Comrade Kim Chong-il was born.

It says:

The dear leader Comrade Kim Chong-il is possessed of brilliant wisdom and extraordinary leadership ability. He has made a great contribution to the development of the revolutionary idea and theory with his energetic ideological and theoretical activities. He has further developed and enriched the *chuche* idea, thus outlining the features of the guiding idea of the present times when the popular masses emerged the master of their destiny and the world.

The bulletin issued by the Malian Committee for Supporting the Independent and Peaceful Reunification of Korea says:

His Excellency Kim Chong-il has organized and guided the struggle of the Workers' Party and the people of Korea to accomplish the revolutionary cause of the respected leader President Kim Il-song, thus bringing about great turns in all political, economic and cultural fields of the country.

**Kim Il-song Sends Yen Gift to Chongnyon**  
*SK140422 Pyongyang KCNA in English*  
0414 GMT 14 Apr 88

[Text] Pyongyang April 14 (KCNA)—The great leader President Kim Il-song sent educational aid fund and stipends amounting to 125,700,000 yen in Japanese currency in the 108th installment to the Korean residents in Japan for the democratic national education of Chongnyon.

This brought the total educational aid fund and stipends sent by the respected leader to the children of Korean residents in Japan in the past 30 years or more to 38,810,452,433 yen in Japanese currency.

This benevolent solicitude will be conducive to the development of the Democratic National Education of Chongnyon.

**Achievements Scored in 200-Day Campaign**  
*SK150936 Pyongyang KCNA in English*  
0842 GMT 15 Apr 88

["'News of 200-Day Campaign'; Achievements in 50 Days of the Campaign"—KCNA headline]

[Text] Pyongyang April 15 (KCNA)—Phenomenal achievements have been recorded in production and construction in the first 50 days of the 200-day campaign in Korea. According to data available, daily output has jumped 20 to 30 per cent in this period up on the comparable period last year in the mining, metal, machine-building, chemical and building materials industries.

Meanwhile, the construction speed has leapfrogged 30 to 80 per cent in the construction of such major objects as the Sunchon Vinalon Complex and the Kwangbok Street.

One new generator unit has been assembled and commissioned each at the construction sites of the Sunchon, Wiwon, Taechon and other power stations, hydraulic or thermal. And the third-stage project of the March 17 power station has made a successful progress and water began to pass through one system.

Significant successes have been reported in coal mine construction to boost coal production.

The Hamyon coal mine has been largely reconstructed and expanded and put into operation and the Hwapung coal mine is expected to start production shortly. Four new pits at the Tokchon District Coal Mining Complex, three pits at the Kaechon District Coal Mining Complex and six pits at the Sunchon District Coal Mining Complex have been reconstructed and expanded and put into operation. In the 50-day period coal output soared 10 per cent above last year's like period.



The construction of the Suncheon Vinalon Complex has gone ahead in high gear.

In the period, the assembling of one more carbide kiln and a lime kiln and six compounding towers was completed and the assembling of a gas tank of more than a dozen thousand cubic meters is going on in the finishing stage. And the 75-ton boiler no.1 in the raw materials district was ignited to produce steam.

In the construction of the Kwangbok Street and other major construction objects in the capital, the Angol Flyover, the Angol Road, the pressure pump station, the service water reservoir and the Pyongyang-Suncheon transmission lines have been completed. The construction of the Angol Sports Village is near completion.

The construction of 18 objects has been successfully completed in the second-stage expansion project of the Kim Chaek Iron and Steel Complex and a sizable success has been reported from the construction site of the Sariwon Potassic Fertilizer Complex.

A signal production upsurge has been noticed in the 50-day period on all fronts of socialist construction such as metal, machine-building and chemical industries.

**Kim Chong-il Gives Guidance in Chagang**  
*SK150402 Pyongyang Domestic Service in Korean*  
2200 GMT 14 Apr 88

[Text] Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary of the WPK Central Committee, made on-the-spot guidance to various domains in Chagang Province.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary, of the WPK Central Committee, gave a guidance on the spot to various domains in Chagang Province on 13 April.

Comrade Chon Pyong-ho, alternate member of the Political Bureau, and secretary [as heard] of the WPK Central Committee; Comrade Yi Pong-kil, member of the WPK Central Committee and responsible secretary of the Chagang Provincial party committee; and other responsible functionaries concerned accompanied him.

When the whole country is seething with revolutionary upsurge, Chagang Province, through the sacrificial struggle of the party members and working people who have turned out in implementing party policy, is also effecting new innovations in many domains of the people's economy and has built the No 8 steel mill, another modern iron and steel production base, which will even more properly produce and supply quality steel to the sites of the great construction.

Comrade Kim Chong-il, touring the newly built No 8 steel mill, and plants and construction sites in Kanggye City, expressed great satisfaction over the fact that the

construction workers, by displaying high creative positivity and patriotic devotedness, have excellently built the steel mill with modern facilities and working conditions in a short period, highly assessed their labor success, and encouraged the party members and working people there who effect new upsurges in production and construction by vigorously waging the 200-day campaign by upholding the letter and slogans of the party Central Committee.

Comrade Kim Chong-il noted the need to broadly introduce new science and technology into production by vigorously carrying out scientific research work and technological innovation campaign by upholding the decision of the 13th plenary session of the 6th party Central Committee, improve the labor administration work, adhere to the economic organizational work, and stabilize production at a high level through the maximum mobilization of hidden resources.

Comrade Kim Chong-il, saying that it is a supreme principle of our party's activities to ceaselessly improve the people's standard of material and cultural living, stressed the need to build more residential houses for the working people, further improve the supply work, and even more properly, effectively, and earnestly organize Kanggye City as a political, economic, and cultural center in the province.

Comrade Kim Chong-il, saying that the functionaries of the party and all other functionaries should highly arouse the revolutionary zeal and creative positivity of the masses by vigorously conducting the political work, put forth a task arising from intensifying the organizational and political work of the party to vigorously wage the 200-day campaign and accelerate the socialist construction.

**SKNDF on Policy on Healing Kwangju Incident**  
*SK150727 (Clandestine) Voice of National*  
Salvation in Korean to South Korea 0300 GMT 6 Apr 88

[Statement by the spokesman of the SKNDF issued on 2 April in connection with the government's measures to heal the Kwangju incident]

[Text] The No Tae-u regime, the military fascist regime which is deceiving the people, is now indulging in foolish wiles in a bid to utilize the Kwangju incident for its power security. The No Tae-u ring, which has clamored about settlement of the Kwangju incident, again on 1 April beat the empty drum called the so-called government policy to heal the Kwangju incident. The so-called government policy to heal the Kwangju incident includes establishment of a government organ and an on-the-spot consultative organ to discuss ways for settling the incident.

This is another intolerable insult to our people and an intolerable challenge to public opinion; Frankly speaking, our people's calling for the No Tae-u ring to expunge the truth of the Kwangju genocide is not because they do not know about its truth. Our people are precisely the

victims of the genocide. They clearly know who the murderers were who brutally killed our fellow countrymen, submerging the city with a population of 800,000 into a sea of blood. They clearly know who were the wirepullers of the genocide.

What our people demand is that No Tae-u and Chon Tu-hwan, the Kwangju murderers, should apologize for their crimes to the people and should be brought to the people's justice; that the United States, the main culprit of the Kwangju genocide, should apologize to our people; that the justness and character of the Kwangju popular uprising should be re-evaluated; that the problem of inheriting the ideal and cause of the Kwangju uprising should be resolved by law; that the honor of the Kwangju citizens should be recovered; and that overall compensation measures should be established for victims of the Kwangju genocide.

Speaking of No Tae-u, he is precisely the criminal who, together with Chon Tu-hwan, directly commanded the Kwangju genocide under the manipulation of the United States. Therefore, the first problem in settling the Kwangju incident is for No Tae-u himself to admit and apologize for his crime of having ordered the military to kill Kwangju citizens and to clearly reveal the U.S. crimes of not only having approved the movement of military troops to Kwangju, but also having manipulated the Kwangju genocide behind the scenes.

The so-called measures to heal the Kwangju incident announced by the No Tae-u regime this time do not reflect the above-mentioned people's demands and are, therefore, nothing but deceptive ones. The settlement of the Kwangju incident does not need formation of any organization.

The No Tae-u ring's clamoring about measures to heal the Kwangju incident and the like are designed to conceal his true colors as the Kwangju murderer and the crimes committed by the United States as the main culprit of the Kwangju genocide.

The No Tae-u ring desperately opposed the opposition party's demand that the problem of inheriting the ideal of the Kwangju popular resistance be stipulated in the new constitution. No Tae-u fabricated his election as the president through the fraudulent election while suppressing the struggle of voters and the people who called for a thorough revelation of the truth of the Kwangju incident. He went so far as to form such a government-patronized organ as the Committee for Democracy and National Reconciliation in a bid to mislead public opinion. Thus, the No Tae-u ring's attitude of trying to settle the Kwangju incident, evading the point, by presenting the so-called measures for healing the Kwangju incident is not an attitude to settle the incident but an attitude to conceal its truth. This is also not an attitude to admit the ideal of the Kwangju uprising, but an attitude to reject it.

Speaking of the Kwangju incident, it is an incident that our people cannot forget even for a moment. Greeting the month of April, the month of struggle, the whole country is vigorously advancing toward the second May Kwangju uprising.

No Tae-u's so-called measures to heal the Kwangju incident is not only a (?preparatory) step to block the masses' uprising and to patch up the present crisis, but is also a trick to deceive the masses in a bid to mislead public opinion on the threshold of the general elections.

Reality clearly shows that the essential characters of the Kwangju murderers are invariable and that we cannot expect democracy from them. Our SKNDF, together with all of the masses, express the surging indignation against the No Tae-u ring's deceptive trick and strongly call for No Tae-u to immediately step down from power after revealing the truth of the Kwangju incident.

Our people are not a people of yesterday. The No Tae-u ring cannot conceal the truth of the Kwangju incident with any cunning trick nor can it escape becoming the target of the grudge of our masses. It cannot block the masses' desire to achieve the cause of the Kwangju popular uprising.

All of our patriotic masses will vigorously join the struggle against the No Tae-u-Chon Tu-hwan ring, murderers, and the U.S. imperialists, the manipulators of the Kwangju incident.

## South Korea

**Response to U.S. Shipper's Claim Postponed**  
*SK150335 Seoul THE KOREA TIMES in English*  
15 Apr 88 p 6

[Text] The U.S. Federal Maritime Commission (FMC) has postponed the deadline for the submission of data by Korean shipping firms concerning a U.S. shipping company's petition against their unfair trading practices by 42 days to May 17 this year, the Korea Maritime and Port Administration [KMPA] said yesterday.

A U.S. steel products transport company, Pacific American (PACAM) Line, earlier filed a petition with the FMC seeking to retaliate against unfair trading of two Korean shipping companies as it failed to transport Korean-made steel products late last year.

The two Korean companies are the Hyundai Merchant Marine Co. and the Pan Ocean Shipping Co.

A KMPA official said that the postponement has been made at the request of the U.S. Department of State, the Maritime Authority and corps of attorneys for the Korean shipping companies.



They suggested that it is desirable the matter be dealt with after the results of the Korea-U.S. maritime talks scheduled for April 29-30, the official said.

Now, foreign shipping companies have been prevented from transporting Korean-made steel products under a regulation stipulating that all steel products be transported by national flag carriers in principle.

If the petition is admitted, domestic shipping companies transporting steel products are expected to be hard hit.

**CSSR Olympic Committee Begins 6-Day Visit**  
*SK150930 Seoul YONHAP in English*  
*0917 GMT 15 Apr 88*

[Text] Seoul, April 15 (YONHAP)—Four officials from Czechoslovakia's National Olympic Committee arrived here Friday to discuss with the Seoul Olympic Organizing Committee (SLOOC) matters concerning their nation's participation in the upcoming summer Olympics.

During their six-day stay, the Czechoslovakian delegation will consult with SLOOC officials on such matters as transportation and accommodations of their nation's Olympic team, the SLOOC said.

Pavel Klapus, vice chairman of the Czechoslovak Sports Association, is leading the delegation.

**Daily on Beijing Visit by North Official**  
*SK140544 Seoul CHUNGANG ILBO in Korean*  
*11 Apr 88 p 6*

[By Hong Kong correspondent Pak Pyong-sok]

[Text] On 9 April, WEN WEI PO, citing ZHONGGUO XINWEN SHE, reported that Zhao Ziyang, general secretary of the CPC, met with Hyon Chun-kuk, member of North Korea's WPK Central Committee and director of its International Department, on 8 April and said that it is the "established policy of the Chinese party and government" to strengthen the friendship between the parties, governments, and peoples of the two countries of China and Korea (communist China and North Korea).

ZHONGGUO XINWEN SHE reported that the general secretary also highly assessed the relations between China and Korea by saying: "The relations between China and Korea are very good and intimate. China firmly believes that the friendly relations between China and Korea will continue to develop through bilateral efforts."

These remarks by General Secretary Zhao Ziyang are noteworthy as they seem to consider North Korea's concern over the signs of improvement of relations between communist China and South Korea, because the relations between parties are one level higher than the relations between socialist states.

Meanwhile, a well-versed China source said that "it is highly possible that Hyon, on the occasion, conveyed a message of Kim Il-song, president [as published] of North Korea's Workers Party, invitation of General Secretary Zhao to North Korea."

[CHUNGANG ILBO at the end of the above report adds the following commentary: "When a visit to North Korea by Li Peng, which he will make following his election as the new premier at the Seventh National People's Congress, has become a fait accompli, North Korea will invite Zhao Ziyang in his capacity of general secretary of the party. This shows that North Korea's concern over improving South Korea-China relations is deep.

[In addition, by the fact that the 'established policy' has been reaffirmed at the meeting with Hyon, who is an authority on communist China, it can be imagined that communist China's consideration is an important North Korean concern."]

**Choe Kwang-su Discusses Trade With Malaysia**  
*SK140948 Seoul YONHAP in English*  
*0939 GMT 14 Apr 88*

[Text] Seoul, April 14 (YONHAP)—South Korean Foreign Minister Choe Kwang-su met Thursday with his Malaysian counterpart Abu Hassan to discuss issues of mutual concern, including bilateral cooperation in expanding trade and joint-venture investments, the Korean Embassy in Kuala Lumpur said in a report to the Foreign Ministry here.

At the meeting, the Korean minister, who is now on a three-day official visit to the Southeast Asian country, delivered 100,000 U.S. dollars of South Korean Government's donation to a support fund for the South Commission, an international organization proposed earlier by Malaysian Prime Minister Mahathir Mohamed for promoting economic cooperation between and among the world's developing countries.

The Geneva-based commission, founded in 1986, is a non-governmental organization comprising representatives from 28 non-aligned countries including India, Egypt, Yugoslavia and Cuba. South Korea donated 200,000 dollars to the commission in 1987.

Choe told Abu that he would make efforts to encourage Korean enterprises to invest more actively in Malaysian projects for exploring natural resources in Malaysia. The two countries signed a mutual investment guarantee agreement in Seoul on April 12.

Choe requested that the Malaysian Government help South Korean contractors to gain more access to the construction and building projects in that country. He also said that the Korean government will take all the necessary steps, including liberalization of overseas travel by Koreans, to encourage traveling by Koreans to Malaysia.

Choe delivered a personal letter from Korean President No Tae-u to Prime Minister Mahathir in a courtesy call Wednesday. The Malaysian prime minister invited No to visit Malaysia when the Korean president has an opportunity to visit the Southeast Asian region.

Choe left Seoul on April 7 for a two-week tour of the Philippines, Indonesia, Malaysia, Brunei and Singapore. He is scheduled to return home on April 20.

**Younger Chon Said To Divert Foreign Exchange**  
*SK150113 Seoul THE KOREA HERALD in English*  
15 Apr 88 p 3

[Text] The prosecution has decided to add the charge of violating the Foreign Exchange Control Law against Chon Kyong-hwan because he acknowledged that he purchased a house worth \$197,000 in New Jersey for his son studying there, prosecution sources said yesterday.

Prosecution investigators said Chon bought a single-family house in Essex County, N.J., in the names of his wife and son last Feb. 5.

The house has a floor space of 45 pyong (148.5 sq. meters) and a yard totaling 990 sq. meters.

Sources at the Central Investigation Department of the Prosecution General's Office quoted Chon as saying that he borrowed \$100,000 from a U.S. bank with the house being offered as collateral.

Chon asserts that he was given the remaining \$97,000 from his friends and relatives in the United States.

But investigators suspect that Chon took money out of the country to purchase the house, thereby violating the Foreign Exchange Control Law. They are also probing allegations that the former Saemaul leader has purchased real estate in other areas of the United States and Australia.

The younger brother of former President Chon Tu-hwan is suspected of skimming 600 million won from the Yungjong Training Institute fund.

Earlier, it was announced that Chon had embezzled 6.5 billion won in public funds.

Yesterday prosecutors also questioned Hwang Heung-sik, the husband of Chon's wife's sister, in connection with the Saemaul scandal.

The prosecution is expected to indict Chon tomorrow.

**Eligible Voter for Assembly Elections**  
*SK150146 Seoul CHOSON ILBO in Korean*  
15 Apr 88 p 1

[Text] On 14 April, the Central Election Committee totaled the number of eligible voters who have been registered in the voters' list for the 13th-term assembly elections to be 26,153,446.

Of this number, 12,098,459 are male and 13,244,987 are female. The number of eligible voters is 62.9 percent of the total population.

This figure shows an increase of 279,822 voters from that of the 13th presidential election and of 2,218,283 from that of the 12th-term general elections.

Regional proportion of voters shows that Seoul has the largest number of voters in the nation totaling 6,583,757 while Cheju has the smallest totaling 283,651 voters.

**Election 'Fever' Builds at Stumping Rallies**  
*SK150149 Seoul THE KOREA HERALD in English*  
15 Apr 88 pp 2, 3

[Text] The parliamentary election fever is building up as rival party leaders step up stumping rallies in support of their candidates upon completion of candidate registration Wednesday.

The hectic electioneering activities shift into high gear tomorrow when legal joint outdoor rallies set off across the country.

Chae Mun-sik, chairman of the ruling Democratic Justice Party, yesterday embarked on a campaign tour of Pusan and Kyongsangnam-do.

A total of 1,045 candidates have registered with the Central Election Management Committee to run for the National Assembly seats in the 224 electoral districts nationwide.

Chae's stumping tour is aimed at supporting his candidates who are running in uphill races with nominees of the opposition Reunification Democratic Party in Pusan and Kyongsangnam-do, which are generally regarded as the power base of opposition leader Kim Yong-sam.

Kim, former RDP president, is touring areas of the RDP stronghold, mounting attacks on the controversial Saemaul scandals and other corruption and wrongdoings reported during the Fifth Republic.

The Pusan and Kyongsangnam-do areas are the key electoral districts for the opposition party. Kim himself is running in a Pusan district in a bid to help other RDP candidates.



Another opposition leader Kim Tae-chung is on a stumping tour of Kwangju and Cholla provinces, stronghold of his Party for Peace and Democracy.

Kim presented a 12-point election pledge, including the abolition of what he claimed were antidemocratic laws and full-fledged press freedom in a campaign rally in Mokpo, his hometown, yesterday.

The opposition party is going all-out to sweep all of the 21 districts in Kwangju and Chollanam-do where Kim Tae-chung took more than 90 percent of ballots in the past presidential election.

DJP officials evaluated their earlier strategy of including many new faces in politics on the list of candidates as a success.

Sim Myong-po, DJP secretary-general, said, "We are sure that our candidates have succeeded in appealing to the public with their fresh and professional images."

The next round of the campaigning of the DJP is to increase the party's support for candidates in the districts where the DJP's influence is weak, according to another official.

The ruling party has traced the popularity of each candidate in the 224 districts through public polls. Based on the results from the polls, the party will set up special strategies to help those candidates in the weak districts.

In addition to announcing campaign pledges tailored to the local districts, Chae is stressing, in the rallies, the necessity for the DJP to have enough seats in the National Assembly for pursuing stable state policies.

The ruling party plans to dispatch its national constituency lawmakers to the campaigning sites to support the local candidates.

DJP officials said that much of the party's failure in metropolitan cities during the general election for the 12th National Assembly was largely due to its failure in drawing big crowds during the campaigns.

Therefore, the party will strengthen the mobilization of people for the upcoming campaigns in large cities by making best use of its organization of college students and other young members.

The RDP's new strategy is to increase support for the candidates in the districts located inside its political stronghold and others who are fiercely competing with other parties' candidates.

Former RDP chairman, Kim Yong-sam, who is on a stumping tour of Pusan, again called for a full investigation into "crimes and irregularities" committed by former President Chon Tu-hwan and his aides and relatives during the Fifth Republic.

Meeting with reporters in his lodge yesterday, he demanded President No Tae-u reinvestigate the scandals around Chon and his relatives "in order to perform his presidential election pledge that he would abolish the sanctuary in investigation of irregularities."

Kim is to return to Seoul tomorrow to go on another stumping tour in Kyonggi-do, Chungchongnam-do, and Kyongsangbuk-do areas.

RDP officials said they will use all possible means to stop the "corrupt" campaigns by candidates from the ruling party. "We will protest, file a suit or hold demonstrations to stop them using political power and money to get votes," an official said.

Kim Tae-chung, former PPD president, spoke in support of his candidates competing in Mokpo, Kohung, Posong and other counties in Chollanam-do, offering his 12-point election pledge.

Kim pledged that he will push forming a watchdog organization on human rights at every administrative unit and take various measures to uproot the regional antagonism.

The opposition leader said his party will make all-out efforts in the 13th National Assembly to guarantee full-fledged press freedom and labor rights.

His party will implement a system designed for the political neutrality of police and map out measures banning the Agency for National Security Planning and the Defense Security Command from interfering in political affairs, Kim said.

Kim Chong-pil, president of the New Democratic Republican Party, called for an end to the rampant illegal electioneering committed by ruling party candidates.

**Younger Candidates Could Alter Election**  
SK150301 Seoul THE KOREA TIMES in English  
15 Apr 88 p 2

[Text] The 13th general elections is characterized as a showdown between one ruling camp candidate and multiple opposition hopefuls, with a total of 1,045 candidates vying in 224 districts, thus marking an average competition ratio of 4.7:1.

Parties have also submitted lists of candidates for the 75 national constituency seats to be chosen under the proportional representation system.

Drawing keen interest is the rush by the younger generation into the parliamentary battle field. Candidates in their 40s account for 45 percent of the total.



The number of candidates in their 20s and 30s represent 17 percent of all registered candidates, compared to 8 percent in the 12th election.

This indicates that the new generation, if many of them are elected, will surely alter the character and operation of the National Assembly.

The younger parliamentary hopefuls mostly joined in opposition campaigns against the dictatorial Yushin (revitalizing reforms) rule and the ensuing Fifth Republic government.

Although the young candidates are running for the general elections on tickets of different opposition parties, political observers said, they, if many of them elected, may form a political alliance to introduce new features to national politics.

Out of the 224 regional electoral districts, 170 constituencies are contested by four or more candidates. By regions, Seoul recorded the highest competition ratio of 6:1 with 251 candidates seeking the 42 National Assembly seats at stake.

Only 18 candidates are running for the five districts in Kwangju—the power-house of Kim Tae-chung and his Party for Peace and Democracy.

The competition ratio is generally higher in major cities than in rural constituencies. Taegu recorded an average competition ratio of 5.1:1, followed by 4.9:1 in Incheon and 4.8:1 in Pusan.

In the provinces, Chungchongnam-do showed a competition ratio of 5.1:1. The ratios are 4.5:1 in Kyonggi-do, 4.3:1 in Kwangwon-do, 3.7:1 in Chungchongpuk-do, 4.6:1 in Chollapuk-do, 3.8:1 in Chollanam-do, 4.3:1 in Kyongsangnam-do and 4.3:1 in Cheju-do.

Nine candidates are fighting to get a "gold medal" in Kuro B, Tobong B and Kwanak A, all in Seoul.

Eight constituencies, including Posong district in Chollanam-do and Yangsan in Kyongsangnam-do, are contested only by two candidates.

Among the 1,045 candidates, Yi Chae-su, who runs for Puk-ku district in Pusan is the oldest. He is 73 years old.

The youngest candidate is the 25-year-old Choe Chong-hwan, who runs for Onyang-Asan district in Chungchongnam-do province.

The cordial relationship of teacher and student was broken when Yi Song-su of the New Democratic Republican Party and Yi Chin-u of the ruling Democratic Justice Party and Choe Su-hwan of the Reunification Democratic Party announced they would be vying against one another in the Pohang electoral district.

NDRP's Yi taught the DJP's Yi and RDP's Choe at middle and elementary schools in Pohang.

**'Dropped' DJP Figures To Run as Independents**  
SK150325 Seoul THE KOREA HERALD in English  
15 Apr 88 p 2

[From the "Out and About" column: "Independent Runners"]

[Text] Yi Hae-ku, one of the key figures left of the ruling Democratic Justice Party (DJP) parliamentary candidate list, completed registration Wednesday to run as an independent in his hometown of Ansong, Kyonggi-do.

Among other notables who left the DJP to run independently in the forthcoming general election are Pak Kyu-sik (Puchon A district), Hong Ui-pyo (Donghae City), Im Yong-tok (Haenam, Jindo) and Chong Hui-tong (Sangju).

Yi Hae-ku was dropped from the final list of DJP candidates on the district election card for his 'leged involvement in the controversial torture death of former Seoul National University student Pak Chong-chol which has already killed the hopes of several parliamentary aspirants from the ruling party including former national police chief Kang Min-chang.

**Major Parties' Nominations 'Smell of Money'**  
SK150131 Seoul THE KOREA HERALD in English  
15 Apr 88 p 2

["News Analysis" column by staff reporter Yu Kun-ha: "Money Politics Downgrade Value of National Constituency; Nominees Donate Over 2 Billion Won"]

[Text] The ruling and opposition parties' nomination of candidates for the Assembly's national representative seats condenses many problems facing the nation's politics.

The national constituency system was originally introduced to counter the drawbacks of a direct parliamentary election format.

But both sides have completely abused the proportional representation system by not selecting people from diverse social sectors.

The ruling Democratic Justice Party cannot escape charges that it used the system to allocate parliamentary seats to those who fervently supported President No Tae-u in the December presidential election.

The DJP evaluated its lineup of 62 candidates as "open-minded and fair, representing diverse special and occupational organizations of society."

But this self-evaluation is hardly persuasive.

When carefully examined, most nominees turn out to have been ardent campaigners for President No. Some of them including Pak Chol-on and Yi Won-choe, who exercised considerable influence behind the scenes, came into the political forefront after their nominations.

Pak, 46, a former prosecutor, is a presidential adviser for policy and Yi, 55, is the superintendent of the Office of Bank Supervision and Examination.

The party's data on the proportional ratios suggests that each of some 20 social sectors was represented in its list of candidates. But there are questions about the qualifications of the nominees whom the party maintained to be representative of those sectors.

If the national constituency system is used by the ruling party mainly as a means of granting rewards to its supporters, it will contribute little to the nation's political development.

DJP chairman Chae Mun-sik, apparently uneasy about such a conclusion, said that it was inevitable for the party to include some loyal supporters on its candidate list because it has to reward them in one way or another.

It is all right that the party reward those who assisted it but a massive nomination of candidates largely based on their past contributions can in no way contribute to sound development of politics.

Such an action would simply slow down the retarded political progress and goes against the DJP's slogan of "new politics for a new era."

The opposition side can neither escape public criticism for their abuse of the national constituency system. But any blame on them needs to be preceded by an understanding of the political climate surrounding them.

A political analyst said that the lists of candidates announced by the three main opposition parties smell of money.

The three parties alike filled most top spots assured of election with politically little known businessmen willing to make huge donations in return for a parliamentary seat.

They obviously deserve criticism for selling parliamentary seats. But given the financial squeeze they are experiencing with only 10 or so days before the voting day, the trade is understandable.

More fundamentally, it has been a long tradition for an opposition party to depend on wealthy aspirants for the Assembly's national constituency seats for election funds.

The problem is that this undesirable tradition appears to have been observed this time more faithfully than ever before.

In Korean politics, a man who is unable to mobilize funds can never be an opposition leader. To elicit respect from his followers and to command them, he has to be capable of collecting funds.

The ability to mobilize funds, in a sense, can be said to be a prerequisite for any political leader in any nation of the world.

Unfortunately, an opposition leader in Korea has had to rely on secret wheelings and dealings to secure funds and thereby consolidate his position within the party.

It appears to be high time for this type of unwholesome political climate to be discontinued and replaced by a sound one in which any political leader can openly collect political funds.

Political analysts say that the rights of a politician to raise funds in public must be guaranteed by the law and that this institutionalization of public fund-raising would greatly help create a healthy political atmosphere.

For this, the ruling side will have to boldly depart from the bad habit of cutting the financial pipelines of opposition parties to paralyze them and legally allow them to receive donations from their supporters in the open.

In the meantime, the three opposition parties, though varying in total sum, reportedly collected huge funds from trade in parliamentary seats.

The main opposition Reunification Democratic Party, which is expected to win 40 to 50 elected seats in the coming elections, sold 40 seats and the proceeds from the sale are expected to be around 15 to 20 billion won.

In the case of its rival, the Party for Peace and Democracy, the total sum of donations is expected to be a bit less than that of the RDP. It nominated 38 candidates for national representative seats.

The New Democratic Republican Party, which designated 25 candidates, is believed to have collected around seven to eight billion won in donations.

As is widely known, these donations are to be allocated to "battlefield fighters" who are engaged in face-to-face combat in regional districts.

The two main opposition parties, the RDP and PPD, have been unable to provide "real ammunition" to their candidates because their stockpiles have been running low since the presidential election.



As the nomination of national constituency candidates carries billions of won, it is normally handled by a party leader who holds real power. In the case of the RDP and PPD, Kim Yong-sam and Kim Tae-chung respectively handled it.

Rumors were circulating long before the parties unveiled their lists that the highest five seats cost around 1.5 to 2 billion won, the next five seats 1 to 1.5 billion won, and the last five seats within the 15th spot around 0.5 to 1 billion won.

When the total sum of donations is calculated based on these prices, it would be quite a fund. But for each of the three parties, some of the seats have been already reserved for those who provided visible and invisible assistance to its presidential candidate in last December.

**Bribery, Mud-Slinging Part of Electioneering**  
*SK150227 Seoul THE KOREA TIMES in English*  
15 Apr 88 p 3

[Text] With the general elections less than two weeks away, election fever is rising to the extent to make bystanders believe that rhetorical mudslinging, bribery, and violence are still the basis of electioneering.

Feasting, gift-giving and money distribution are common practices and the "win-or-die" spirit prevails in hectic parliamentary campaigning.

Mammonism, corruption and expediency in violation of laws are the name of the game in which those who keep the "already-dead" laws are being laughed at.

Hot springs and famous resorts across the nation are bustling with voters on sightseeing tours provided by better-off candidates.

One day last week, Chinhae City was bursting at the seams with about 500,000 tourists, most of them "voter tourists," who came to see the annual cherry blossom festival held in the southern port city.

Thousands of tourists buses flooded Chinhae streets and hundreds of other vehicles had to turn back to nearby Masan and Changwon due to an excessive traffic jam.

Various gift sets, umbrellas, lighters and envelopes containing 10,000-50,000 won banknotes are unsparingly distributed to participants in "solidarity rallies" and other functions run by political parties.

Those who did not receive gifts lodged protest to organizers, while those who pocketed the gifts swiftly ebb out of the rally sites, leaving the litter of candidates' pamphlets behind.

In a recent district chapter rally of the ruling party in Taejon, about 600 participants made a commotion as the organizers did not give them gifts.

The organizers said that commotion was caused by a rumor, apparently spread by rival party members, that gifts had been prepared for the rally participants.

Many candidates also fell into predicaments due to similar rumors which have it that candidates offer free meals at certain restaurants.

Voters who visited the restaurants in anticipation of a feast called up the candidates' offices and lodged vehement protests.

Mudslinging, slandering and black propaganda also thrive between rival candidates who compete under the small electoral district formula for the first time in 17 years.

Womanizing and other indecent deeds committed by candidates in the past are brought into the open by pamphlets and stickers of unknown origin.

Fanning parochialism among voters is another sneaky strategy. Many candidates are suffering from rumors that they are "outsiders" who have no roots in their electoral districts at all.

To vindicate their territorial affinity, the candidates distributed carbon copies of their birth records through house-to-house visits.

One particular phenomenon in the campaign this time is the massive mobilization of collegians as "volunteer" campaigners.

**PPD Claims Plots To Oppress Candidates**  
*SK150307 Seoul THE KOREA TIMES in English*  
15 Apr 88 p 2

[Text] The Party for Peace and Democracy claimed yesterday that the government is plotting to oppress the PPD by nullifying the parliamentary candidacy of two secretaries for Kim Tae-chung.

The prosecution notified the Central Election Management Committee yesterday that Han Hwa-kap, personal secretary, and Kim Ok-tu, chief bodyguard, are not qualified to run for the parliamentary elections as their criminal records have not been cleared.

Han is running in the Sinan district in Chollanam-do province and Kim is one of 38 PPD candidates for the national constituency.

The PPD said the two candidates took due procedures for application with the Central Election Management Committee with clean papers issued by authorities.

The prosecution announcement is "a heinous plot" to suppress the PPD, Kim Tae-chung and his secretaries, the PPD said.



**No Tae-u on Kwangju, Reconciliation**  
*SK150757 Seoul YONHAP in English*  
0742 GMT 1 Apr 88

[Text] Kwangju, Korea, April 15 (YONHAP)—President No Tae-u said here Friday it was his firm belief that achieving national reconciliation would be impossible without resolving the Kwangju incident in a satisfactory manner.

It is my firm belief that national reconciliation cannot be achieved without a satisfactory solution of the Kwangju incident, and it will not be possible to have democracy in full bloom without national reconciliation, No told a group of 300 representatives from all walks of life in Kwangju and other parts of South Cholla Province.

No's visit to this provincial capital was his first since his inauguration as president on Feb. 25.

No characterized the Kwangju civilian uprising in May 1980 as a struggle for democratization by saying the youth and citizens of Kwangju did not take to the streets for the sake of their own benefit eight years ago. It was their zeal for democratization that led them to the streets.

The uprising began on May 18, 1980 when thousands of Kwangju students and civilians staged antigovernment demonstrations calling for the withdrawal of a nationwide martial law and release of opposition leader Kim Tae-chung.

On the previous day the government extended the partial martial law to nationwide and arrested a number of opposition politicians, including Kim who is from the South Cholla Province.

During the 10 days of turmoil which included harsh suppression by the police and military, 191 people were killed, according to official counting, and a large number of people were injured. Kwangju citizens and opposition parties have claimed a bigger death toll.

No's remarks followed the government's earlier announcement of a set of reconciliatory measures designed to heal the scars of the Kwangju incident.

On April 1, the No government, in a departure from the previous government's stance, redefined the 1980 civil disturbance in Kwangju as part of the efforts by Kwangju students and citizens for democratization of the nation and apologized to the people for the failure to resolve the incident after eight years had passed.

Previously the government headed by former President Chon Tu-hwan had characterized the uprising as a rebellion and those who participated in the uprising as rebels.

The measures also included compensation and support for victims, the formation of government and private organizations to carry out the reconciliatory measures and erection of a monument for Kwangju victims.

The government measures, however, were labeled as insufficient by Kwangju citizens, including bereaved families of the victims, and opposition parties.

No said the honor of those who were killed in the Kwangju uprising has been restored with the incident's redefinition.

He added that the government's promise to ensure compensation for the victims and the construction of a monument and memorial hall in Kwangju as well as government financial support for the beautification of the victims' cemetery constitute a major change in the government's attitude.

The real intention of the compensation is not simply to compensate victims with money but to restore the honor of Kwangju citizens and those who were sacrificed, the president said.

These measures do not represent a conclusion but a beginning of a reconciliatory history, he added.

He appealed to the people to discard provincial antagonisms which are of no value to anyone and to help bring about national reconciliation.

**Police Arrest Suspected Pro-North Students**  
*SK150105 Seoul THE KOREA HERALD in English*  
15 Apr 88 p 3

[Text] Seoul Police rounded up three college students affiliated with an underground pro-north Korean organization yesterday.

Arrested in violation of the National Security Law are Yun Chi-hun, 22, Yi Chin-han, 20, and Hwang Chae-yong, all students from Tongguk University.

The Seoul Metropolitan Police Bureau put six other students from the same university on a wanted list on similar charges.

The students are suspected of having undergone indoctrination with subversive books after joining the "National People's Front" March 10 last year.

They allegedly plotted to struggle against the April 26 legislative elections in a bid to overthrow the government.

Police said the students attempted to stage surprise demonstrations around markets, industrial complexes and slum areas and to seize and set fire to public and symbolic buildings.

**Maritime Consultative Body Encouraged**  
*SK130341 Seoul THE KOREA TIMES in English*  
13 Apr 88 p 6

[Text] The government will encourage shipping circles to set up a civil maritime policy consultative body to reflect their opinions in the decision of overall shipping policy.

Chin Nyom, administrator of the Korea Maritime and Port Administration, said yesterday that the government will activate the body to discuss shipping affairs to meet rapidly changing international shipping environment.

At a discussion session on maritime affairs sponsored by the Korea Maritime Institute, Chin pointed out that advanced countries have strongly put pressure on Korea to open domestic shipping market along with other sectors.

In this circumstance, government's policy and management strategy of shipping companies should be made based on integrated analysis of world maritime market and wide range of view from specialists for sustained development of domestic shipping industry, he said.

The civil maritime policy consultative body will also comprise working-level sub-committees in every sector of shipping, Chin said.

**Commission To Study Revamping Economy**  
*SK150207 Seoul THE KOREA TIMES in English*  
15 Apr 88 p 6

[Text] An economic advisory commission is scheduled to be inaugurated late this month to seek ways of overhauling the economic structure in the rapidly changing economic environment.

The civil body, named "the economic advisory council for economic structure adjustment," will pull wisdom from all strata of society on serious economic issues in the coming six months.

Based on the "national consensus," the advisory body will draft long-term policies on overall economic issues and they submit them to the President as policy recommendations.

The advisory commission will be made up of 25 members from all walks of life.

They include former prime minister Yu Chang-sun; Kim Song-hun, professor at Chungang University; Ku Pong-ho, president of the Korea Development Institute; Sin Pong-sik, vice chairman of the Federation of Korean Industries; and Kim Chae-kyom, president of the Saang-yong Cement Co.

The establishment of the commission was approved at a cabinet meeting yesterday.

The growing current account surplus has brought about ever-worsening trade friction and pressure from industrial countries to open the domestic market completely.

The ever-changing economic conditions and the expanding national economy have forced Korea to overhaul its economic structure, officials at the Economic Planning Board said.

The commission will have three subcommittees composed of 10 members or less each to efficiently carry out its activities.

The three subcommittees are one on measures against internationalization, the other on industrial restructuring coordination and the third on the improvement of people's quality of life.

In principle, the advisory body will hold a regular meeting once a month along with extra meetings if necessary and the subcommittees will hold meeting once a week.

The secretariat will be installed at the state-run Korea Development Institute [KDI] and the president of the KDI will become secretary general.

All the meetings and public hearing sessions will be made public.

In particular, farmers, laborers, housewives, students and those showing interest will be invited to public hearings without limitation to reflect their opinions.

**Businesses Evaluate Industrial Structure**  
*SK130415 Seoul THE KOREA TIMES in English*  
3 Apr 88 p 6

["News in Review" column by economic editor Yu Chin-su: "Soaring Won Forces Major Industrial Overhaul"]

[Text] The United States is seeking more efficient ways of intensifying its protectionism. And the strong U.S. pressure for rapid appreciation of the Korean currency remains unabated.

U.S. House and Senate negotiators expect to complete omnibus trade legislation this month which will change U.S. trade policy dramatically, according to reports.

The bill will give the U.S. Trade Representative more power to deal with unfair trade practices by trading partners. It will also increase the number of unfair trade cases investigated and speed up decision-making processes leading to retaliation.



In a statement Monday, the Korean Foreign Trade Association [KFTA] refuted as unrealistic the World Bank recommendation that Seoul appreciate its currency against the dollar by more than 25 percent this year to cut its trade surplus with Washington.

The recommendation did not consider the international trade order and current economic situation here, the major economic organization said.

The U.S. trade deficit was a record \$17.2 billion last year and \$156.2 billion in 1986. In its trade with the United States, Korea recorded a \$9.78 billion surplus in the current account last year and a \$9.58 billion surplus in 1986.

KFTA said a speedy rise of the Korean currency won would entail a chain reaction of bankruptcies among small- and medium-sized companies. It noted that Korea's major export rivals, including Hong Kong, Taiwan and Singapore, have been rather depreciating their currencies this year.

Now, talk about the won appreciation is on many lips. Some economists are even drawing a gloomy picture of the economy.

The impact has already been felt in such labor-intensive industries as textiles, stuffed toys and home electric appliances.

Serious threats to survival were seen in opinion surveys recently conducted by exports-related organization including KOTRA [Korea Trade Association], KIET [expansion unknown], KFTA and the Trade-Industry Ministry.

Most exporting firms surveyed said they will not be able to make both ends meet when the dollar drops below the 720 won-level.

Currently, some 20 percent of the respondent companies are suffering deficits in their exports, according to the surveys.

In case the dollar plunges to the 680 won-level, a 16.5 percent increase in the won's value, the surveys said nearly all business concerns regardless of their size will be jolted to their roots.

The won rose to 742.90 won yesterday, bringing to 6.65 percent appreciation so far this year. The won climbed by 8.7 percent against the greenback in 1987.

The rising won value means a 25 percent appreciation in terms of annual rate for this year. If the present trend continues, the won will break the 640-won mark by the end of this year.

The 640-won level spells out a collapse for nearly all industries, both big and small, sampled in the recent surveys.

The speedy appreciation will force domestic industries to give up all-out efforts to survive, senior businessmen pointed out.

As long as the United States, the greatest trading partner of Korea, keeps up its pressure, the pace of won appreciation is doomed to accelerate.

Exporters complained that Korean competitiveness was being seriously eroded as the rising won made their products more expensive overseas.

As a high-ranking official put it, "The government and private businesses have been making strenuous efforts to reduce trade surplus with the United States. However, Washington is too hasty. Why couldn't the economic superpower wait to see the results of our actions?"

"The Korea economy is not strong enough to accept now the further speedy rise of the won."

The change in won value demands a change in local industrial structure. The reshaping of the structure will not be limited to a specific industry or to the realignment of ailing companies with bad loans.

The development of new technology and radical improvements in production also call for a sweeping ramp-up of overall industries on a long-term basis, business leaders said.

The reshaping necessitates government help for the private industries to realign their structures since they have been in big trouble with the ever-rising won, the ever-worsening global trade friction and labor disputes over wage increases.

Companies engaged in sophisticated industries especially urgently need government help, business observers accent.

The nation must also urgently establish a policy of balanced development by both big and small business and also export- and domestic market-oriented industries.

**KFTA Forecasts Second Quarter Export Volume**  
SK130249 Seoul YONHAP in English  
0214 GMT 13 Apr 88

[Text] Seoul, April 13 (YONHAP)—South Korea's exports were projected to slow down in the second quarter of this year growing 22.8 percent from a year earlier, compared with 35.0 percent growth in the first quarter, the Korea Foreign Trade Association [KFTA] said Wednesday.

In a report forecasting the performance of Korea's export industry, the association said exports will reach 14.7 billion U.S. dollars during the second quarter.



The report said that shipments of light industrial products will total 5.87 billion dollars, up 11.2 percent from the corresponding period of 1987, while those of heavy industrial and chemical products will expand to 8.22 billion dollars, a 32.1 percent rise.

Increase rates will stand at 10.9 percent for textiles (3.28 billion dollars), 25.8 percent for footwear (850 million dollars) and 0.3 percent for stuffed toys and dolls (274 million dollars).

Exports of electric and electronic products will rise 41.7 percent to 3.75 billion dollars, those of iron and steel products will increase 44.8 percent to 982 million dollars, those of automobiles will rise 16.6 percent to 1.12 billion dollars and those of machinery will increase 59.6 percent to 616 million dollars, according to the report.

Meanwhile, arrivals of letters of credit, which predict exports two or three months ahead, were projected to expand 20.3 percent in the April-June period from a year earlier to 10.9 billion dollars, below the first quarter's 24.4 percent, according to the association.

**Additional Funds To Be Invested in World Banks**  
*SK130245 Seoul YONHAP in English*  
*0143 GMT 13 Apr 88*

[Text] Seoul, April 13 (YONHAP)—South Korea will invest an additional 201 million U.S. dollars in the World Bank to become the Bank's 30th largest shareholder.

The additional contribution will boost South Korea's share to 560 million dollars, or 0.67 percent of the World Bank's total capital. South Korea has been ranked as the bank's 41st largest shareholder.

The Korean Government is also negotiating to raise its equity share in the International Monetary Fund from the current 0.52 percent to more than 1 percent.

Buoyed by its bulging current account surplus, the government is also seeking to raise its share in the Asian Development Bank and the African Development Bank and to rejoin the Inter-American Development Bank.

Government officials hope that increasing Korea's equity shares in international financial organizations will give their country a stronger voice in international economic cooperation projects.

**Economic Advisory Council Established**  
*SK150218 Seoul YONHAP in English*  
*0208 GMT 15 Apr 88*

[Text] Seoul, April 15 (YONHAP)—In a move to cope with the rapidly changing international economic situation, the South Korean Government Thursday established an ad hoc economic advisory council to draft recommendations for adjustments in economic structure.

The council, which will report directly to President No Tae-u, intends to smooth possible discord among social classes and various industrial fields when markets are opened and adjust the nation's economic structure, a government official said.

Major trade partners' ever-strengthening pressures to open Korea's markets wider and domestic workers' demands for wage increases have forced South Korea to make changes in its industrial structure.

The advisory body will recommend policies on major economic issues to No beginning in late April. The body will be empowered to act until the end of October about the time a vote of confidence is expected on No's administration. During the Dec. 16 presidential election campaign last year, No, then the government party's presidential candidate, pledged that if elected, he would conduct a vote of confidence on his performance after the 1988 Seoul Olympics. The games are scheduled for Sept. 17-Oct. 2.

The body will consist of three subcommittees which will study measures for countering internationalization, adjusting the nation's industrial structure, and raising the standard of living.

Among the 25 people chosen to serve on the body are former Prime Minister Yu Chang-sun, the president of the Korean Association of Information Industry Yi Yong-tae, and the secretary-general of the Korean Young Women's Christian Association (YWCA) Pak Sun-yang.

**Multilateral Investment Guarantee Agency Joined**  
*SK150509 Seoul YONHAP in English*  
*0500 GMT 15 Apr 88*

[Text] Seoul, April 15 (YONHAP)—A convention establishing a multilateral investment guarantee agency went into effect on April 12 in South Korea and 28 other ratifiers of the pact, the Foreign Ministry said Friday.

Under the convention, the proposed agency is intended to encourage investment flow and productivity among member nations, especially investments to and from developing member countries. The agreement also stipulates that the agency will issue guarantees including coinsurance and reinsurance against non-commercial risks facing investments.

The ministry said South Korea is expected to contribute about 4.49 million special drawing rights (SDR) to a fund for creating the agency out of the one billion SDR needed.

South Korea presented its ratification of the convention to the World Bank last November. Among the other 28 ratifying nations are the United States, Britain, Switzerland, Japan, Indonesia and Saudi Arabia.

A ministry official said the 29 members of the convention are scheduled to hold an inaugural meeting on June 8 in Washington.

The multilateral agency will supplement activities of the World Bank and other major global financial organizations, the official added.

**Daewoo Strike Confirms Fears of Other Disputes**  
*SK130325 Seoul THE KOREA TIMES in English*  
*13 Apr 88 p 6*

[By staff reporter Choe Won-sok]

[Text] The shutdown by Daewoo Shipbuilding and Heavy Machinery of its shipyard in Okpo on Koje Island has proven at last true general expectations that breakout of fresh labor-disturbances would once again jolt the nation this year.

Domestic business concerns, still in vivid memory of severe labor-management conflicts which swept across the country last summer, have all sought and endeavored to avoid the recurrences of such conflicts this year in consideration of their own interests as well as the fate of the national economy.

Despite their ardent hope and desires, there has been since the turn of the year a strong possibility of new labor-management confrontations as it seemed that labor and management had been on a "temporary" truce since late last year following the end of their animosity over wage increases, which was credited to increasingly cool reactions both from the public and media.

The lockout of Daewoo shipbuilding, the nation's largest shipbuilder, traces back to April 1 when its 12,000 workers went on strike, demanding a uniform 55 percent or 120,000 won increase in their wages.

However, it was impossible for the management of Daewoo Shipbuilding to accept the demand as the company has been in a slump since 1985 due to the recession of the international shipbuilding industry.

Its deficits only amounted to 9.8 billion won in 1985 but they grew to 44.6 billion won in 1986 and to 69.4 billion last year, which was attributed to labor conflicts coupled with typhoons and heavy floodings.

The management of Daewoo Shipbuilding told their striking workers that it was impossible to concede to their demand for a uniform 55 percent wage increase on the ground that it would cost the company an additional 92.6 billion, thereby toppling the business management.

The management also apprehended that their company would suffer some 90 billion won in deficits this year due to the won appreciation against the U.S. dollar and the price increase of shipbuilding materials in addition to wage hikes.

As of the end of last year, the total deficits of Daewoo Shipbuilding amounted to 1,397.1 billion won including 923.9 billion won borrowed on bad terms.

As the daily interest on its bad loans stood at some 390 million won, Daewoo Shipbuilding repaid some 400 billion won with funds raised on the stock market on the pretext of increasing its paid-in capital.

Meanwhile, its total turnover last year amounted to 513.9 billion, far short of its total paid-in capital of 608 billion won.

As Daewoo Shipbuilding has been suffering from the accumulating deficit, Kim U-chung, chairman of the Daewoo Group, took the helm of the company himself early this year in order to renovate its management but to no avail so far.

Daewoo Shipbuilding said that if the current strike continues for four weeks, it would lose some 48 billion won in its total sales this year and would suffer a total of 6.2 billion won, 280 billion won per day due to the delay in delivering ordered ships.

At present, Daewoo Shipbuilding is constructing eight vessels for domestic delivery and 26 vessels for exports. In particular, it is obliged to deliver seven oil carriers and an oil drilling rig by June this year, at a 11.3 percent hike.

Besides the lockout of Daewoo Shipbuilding, the Daewoo Group is also suffering from a wild strike at Daewoo Motors.

It is generally expected that workers at other business conglomerates will soon follow suit as they are negotiating with their management for the increase of their wages.

They are closely watching how the case of Daewoo Shipbuilding is settled, while seeking more wage increases in their negotiations with the management.

It was recently reported that an average wage increase of some 6,000 business concerns would reach 11.3 percent this year.

However, as the striking workers of Daewoo Shipbuilding are demanding a 55 percent increase, laborers at other business groups which will have to adjust wages by next month are expected to call for more than the average.

The lockout of Daewoo Shipbuilding vividly tells of a lack of understandings and mutual reliance between labor and management.

Many business experts are criticizing the attitudes of both labor and management.



They say that it is preposterous for workers to demand "excessive" increase in their wages regardless of financial conditions of their companies.

They are also of the opinion that it is too hasty for the management to lock out their worksites before they fully and sufficiently negotiate with their workers to solve wage increase disputes with utter patience.

All in all, the spread of severe labor disturbances sparked by the shutdown of Daewoo Shipbuilding is sure to cause a great damage to the domestic industries and the national economy this year.

Most of all, the nation's exports would suffer most in consideration of the weakening price competitiveness of Korean products on the international market due to the won appreciation against the U.S. dollar.

**Daewoo Labor, Management Leaders Reach Accord**  
*SK140115 Seoul THE KOREA TIMES in English*  
14 Apr 88 p 3

[Text] KOJE, Kyongsangnam-do—The labor strife at the Daewoo Shipbuilding and Heavy Machinery Co., Ltd. came close to an end yesterday as the representatives of labor and management reached an accord on a five-point agreement including an increase of 31,400 won in basic salary.

The dramatic accord came in a renewed negotiation that lasted for about five hours from around noon with the attendance of nine representatives from labor and management at the conference room of the company headquarters.

However, the accord has to be approved in a vote session to be held today by the labor union members which requires more than half of 'yes' votes for final confirmation.

A complete settlement is expected sometime today as an atmosphere to avoid prologation of current dispute seemed to prevail among the workers.

The resumption of negotiation came to be realized as Kim U-chung, chairman of the Daewoo Group, who rushed to the scene by helicopter early yesterday morning agreed to start a fresh negotiation in a exclusive meeting with labor union leader Yang Tong-seng.

During the meeting, Kim was learned to have called for the concession of labor union on the payment of wage during the period of the strike in return for the acceptance of the level of basic salary hike demanded by the workers.

According to the tantative agreement reached yesterday, in addition to the hike of 31,400 won in basic salary, 30,000 won allowance are to be paid across-the-board.

Some 7,000 won will also be paid to the workers in addition to the increase in the basic salary.

Fifty percent of monthly wages will be paid as bonuses around the end of June to compensate unpaid wages during the striking period, according to the agreement.

The increase in basic salary will be applied retroactively from March of this year, it said.

Any payment in the name of wages during the striking period will not be made in accordance with "no work, no pay" principle strongly upheld by the company.

Some 9,000 laborers of the shipyard reported to work at about 7:30 yesterday morning and held a rally to call for the company management to retract its decision to close the yard.

The workers, in the rally, criticized the company decision to shut down the shipyard while negotiations were in progress as nothing but a ploy to make the laborers appear fools.

They also chanted such slogans as "the managers refusing to have negotiations should be taken out," and demonstrated around the shipyard.

The striking workers also rehearsed seizures of the five entrance gates of the shipyard in preparation for a possible closure of the gates by the police.

Some 1,000 workers at every gate continued sit-ins separately until late last night.

However, no violence by the striking laborers was reported.

In the meantime, some 4,000 workers at the Daewoo Motor Co., Ltd. who went on strike on Tuesday reported to work as usual early yesterday morning and had lengthy discussions among themselves but failed to resume production.

The strike which has paralyzed production at the auto plant in Pupyong near Seoul seems likely to be prolonged as there were no sign of negotiations resuming between labor and management as of yesterday.

The workers are insisting that basic salaries be hiked by 26.2 percent with the creation of an allowance for long service.

**Cabinet Decides To Strengthen Labor Committees**  
*SK150153 Seoul THE KOREA HERALD in English*  
15 Apr 88 p 1

[Text] Eight cabinet members held a special meeting yesterday to discuss about the growing labor unrest, and decided to strengthen the power of labor committees, a government spokesman said.



The labor committees set up at the provincial and municipal levels will also increase their members to 50 each, he said.

Consisting of prominent figures from virtually all walks of life, the panels will actively seek to help settle labor-management disputes, the spokesman said.

Participants in the meeting at the Integrated Government Building expressed worry about the labor disputes plaguing the Daewoo shipyard and Daewoo Motor Co.

They included Minister of Economic Planning Na Ung-pae, Minister of Finance Sakong Il and Minister of Labor Choe Myong-hon.

In an effort to curb the labor unrest, the ministers agreed that heads of provincial government agencies as well as labor officials should actively seek to mediate the settlement of labor disputes.

There will be no change in the government position that any legitimate union activities should be guaranteed to a great extent, the spokesman said.

The government, however, will clamp down on illegal union activities, particularly the destruction of company equipment.

The administration will keep management from undermining establishment of unions and closing down workplaces as a means of obstructing union activities.

A total of 336 labor disputes have been reported so far this year, according to the Labor Ministry. Of them, 82 are still in progress.

The labor disputes this year tend to be less violent, compared to those which happened in the past year, ministry officials said.

Last summer thousands of companies, big and small, were hit by labor disputes. Police had to intervene to resolve violent disputes at many companies.

The labor committees established at the provincial and municipal levels were largely helpless in face of the wave of labor unrest.

The officials said an obstacle in the way of a solution to the labor strife is that labor leaders tend to become tough apparently to get leadership hegemony.

They expressed the hope that disputes at major companies will be resolved through negotiated settlement as soon as possible. If protracted, they observed, those disputes are feared to adversely affect the labor-management relations of smaller firms.

## Burma

### **Insurgent Camps, Opium Refineries Attacked** *BK141015 Rangoon Domestic Service in Burmese* 1330 GMT 13 Apr 88

[Text] Members of local militia, anti-insurgent groups, and indigenous working people reported that the allied forces of the BCP [Burma Communist Party] 6th Brigade, the Wa, SSA [Shan State Army], KIA [Kachin Independence Army], and Lahu insurgents had engaged in refining and sending opium abroad, black-marketeering, and sabotage in (Sanku), (Danyawadi), (Luntang), (Nawnglin), (Pakhenu), (Loi Han Taung), (Mae Mahon), (Maheintha), (Pantaung), (Tamahe), (Pankyet), and (Pakhi) regions in Mong Ton Township and (Loi Tan Phat) and (Tamaing) region in Mong Hsat Township on the Burma-Thai border.

After receiving this information, on 19 March military columns from the 88th Light Infantry Division, the 33d Light Infantry Division, and Tactical Operations Unit No 1 under the jurisdiction of the Eastern Military Command launched "Operation Mohein Phase-12" with the cooperation of the local militia and anti-insurgent groups.

On 19 March military columns under the command of the 33d Light Infantry Division attacked (Maheinu), (Maheintha), and (Mae Mahon) camps operated by Wa insurgents. The columns attacked and captured (Loi Han Taung), (Pantaung), and (Tamahe) camps and nearby opium refineries on 20 March. On 21 March (Hankame) and (Lakhan) camps and nearby opium refineries were attacked and captured. On 28 March the columns also attacked Point 4887 camp, and on 29 March they attacked (Pangkhi) camp where Wa insurgents' headquarters were located.

Military columns from the 88th Light Infantry Division attacked and captured insurgent camps under the control of the BCP 6th Brigade. Point 6420 camp was captured on 20 March, (Nawngye) camp and an opium refinery on 22 March, (Danyawadi) and (Nawngton) camps and an opium refinery on 23 March, Point 6930 camp and (Sanpyu) camp on 8 April, (Loi Pan Hkaik) camp on 9 April, and (Tamaing) camp on 10 April.

Several items of opium refining equipment and chemicals were captured from (Hankame) and (Tanmahe) camps. The insurgents set fire to their opium refineries during clashes in capturing (Danyawadi) and (Nawnglin) opium refining camps. Two heliports were found at the (Pangkhi) headquarters of the Wa insurgents. It was also found that insurgents had been using electricity and water from pipelines near the border.

During the operations there were 11 major battles and 33 clashes in which 27 members of the Armed Forces laid down their lives for the country and 73 were wounded. Fifty-seven insurgents were killed and 1 was captured. In

addition, a total of 78 assorted weapons, including 1 82-mm mortar and 3 80-mm mortars, 5 communications sets, 1 motorcycle, a large amount of ammunition, and opium refining equipment and chemicals were seized.

As a result of the operation carried out by the Armed Forces and the people, the BCP insurgents are facing difficulties militarily, politically, and economically, and they are trying to obtain a foothold in the Burma-Thailand border area.

It was decided at the Third BCP Congress held at the Panghsang Central Headquarters in 1985 to carry out economic activities in the areas under their control to support their military activities and to overcome their difficulties. The opium trade and black-marketeering were chosen as main economic enterprises according to that decision. In accordance with this decision, it was made mandatory for every household in areas controlled by the BCP in Kokang, Mong Mao and Mawka regions and Mong Hsat, Mong Yang, Mong Yawng, and (Mong Tat) Townships to grow opium. At the same time, the BCP 6th Brigade entered into military alliance with Wa, SSA, KIA, and Lahu insurgents and other insurgent groups along the Burma-Thailand border in Mong Hsat and Mong Ton townships and attacked and captured camps belonging to Loimaw insurgents of Khun Sa in (Pachi), (Kamahein), (Pandaung), (Loi Mai Taung), (Mahenu), (Danyawadi), (San Ku), (Loi Pan Sat), and (Tamaing) during 1985-86. The BCP used these camps as their foothold to establish a monopoly in buying opium produced in the areas under their control, and they refined and sold opium abroad from the border areas. "Operation Mohein Phase-12" launched by the Armed Forces in cooperation with the people was aimed at these activities.

Arms and ammunition captured from the enemy during "Operation Mohein Phase-12" were 78 assorted weapons, including 1 82-mm mortar and 3 80-mm mortars, 52,273 rounds of light ammunition, 218 heavy-weapon ammunition and mortars, 18 magazines, 3 hand grenades, 293 assorted mines, 62 launcher grenades, 5 walkie-talkies, 1 motorcycle, repair equipment for arms, and chemicals and equipment used for opium refining. The chemicals included 1,284 gallons of acid and chemicals, 3 tons of powdered soda, 4 opium-weighing machines, 84 basins for (?storing) opium, 2 chemical flasks, 3 electrical and steel stoves, 136 assorted plastic and metal containers, and assorted opium refining equipment.

## Briefs

### Japanese Aid Accord

A Burma-Japan memorandum of understanding was signed at the Ministry of Planning and Finance this morning. Under the agreement signed by U Nyunt Maung, deputy minister of planning and finance, and Mr Hiroshi Otaka, Japanese ambassador to Burma, the



Japanese Government will provide the Burmese Government with 1.1 billion yen, the equivalent of about 53.49 million kyat, for the 1987-88 fiscal year. The funds will be used in different school, hospital, bridge, public building, and public housing projects and in the purchase of construction materials to be distributed to cooperative societies and the victims of natural disasters. [Excerpt] [BK111402 Rangoon Domestic Service in Burmese 1330 GMT 11 Apr 88 BK]

## **Brunei, Malaysia & Singapore**

### **Malaysia**

**Ruling Party's Constitution Amended**  
*BK141511 Kuala Lumpur BERNAMA in English*  
0905 GMT 14 Apr 88

[Text] Kuala Lumpur, April 14 (BERNAMA)—The UMNO Baru [New United Malays National Organization] Supreme Council met Wednesday [13 April] to amend the party's constitution to give more weight to the divisional level choice of candidates for party president and deputy president, in which the nominations will automatically carry 10 votes each.

Party President Datuk Sri Dr Mahathir Mohamed said the constitution was also amended to provide for the appointment, and no longer election, of the youth and wanita [women] wing chiefs at national level.

The new provisions were aimed at providing an accurate reflection of the grassroots choice at the branch and divisional levels. It applies to only the two top posts.

When elections for these posts take place during the General Assembly, the automatic votes vested in the divisional level nominations will be counted with the votes cast by the assembly delegates.

Mahathir said "The amendments were made to improve the existing (?constitution), but on the whole, we are using the old constitution."

He said the party felt a need to reduce election politicking and instances like some people blocking others from becoming members, or forming branches to undermine certain leaders.

"We can overcome such problems because of our system where the headquarters has the right to ratify approval of membership."

Mahathir said "In the past election, we found that 80 branches nominated a certain candidate but the votes polled by the candidate at the General Assembly was not reflective of this support, showing the delegates had totally disregarded the decision made by their divisions and gave their votes to someone else."

He said this was an anomaly and delegates who voted against the choice of their divisions were defying the wishes of the grassroots.

Mahathir also said empowering the Supreme Council to appoint the national youth and wanita heads was to avoid the occurrence of unhealthy practices during the national level elections for the two chiefs.

The youth and wanita national chiefs appointed will be ex-officio members of the Supreme Council and party vice presidents.

On delegates to the general assembly, he said divisional chiefs were automatically delegates to the assembly but not the youth and wanita divisional heads, who would have to be elected.

He said the president, deputy president, three vice presidents and 25 Supreme Council members would be elected in the general assembly.

On elections at branch and divisional levels, they would be conducted like before.

Mahathir said UMNO Baru had been approved by the Registrar of Societies and the Supreme Council had the legal right to hold the meeting to amend the party's constitution.

**Mahathir, Ghafar Baba Meet ROK's Choe**  
*BK141402 Kuala Lumpur RTM Television Network 1*  
in Malay 1200 GMT 14 Apr 88

[Excerpt] South Korean entrepreneurs have been invited to undertake agricultural and manufacturing projects in Malaysia. They are therefore allowed to acquire appropriate lands in the country. Our correspondent Ganesan reports:

[Begin Ganesan recording] The offer was made by Deputy Prime Minister Ghafar Baba during his 30-minute meeting with visiting South Korean Foreign Minister Choe Kwang-su. The meeting was held at the deputy prime minister's office in Kuala Lumpur today. A Foreign Ministry spokesman said the deputy prime minister had invited South Korean entrepreneurs to grow fruit in the country to meet South Korea's needs. He also expressed satisfaction over current excellent relations between the two countries and welcomed South Korea's participation in national development.

The South Korean foreign minister is on a 3-day official visit to Malaysia. Last night he called on Prime Minister Datuk Sri Dr Mahathir Mohamed.

After the meeting with Ghafar Baba, Choe called on Foreign Minister Abu Hassan Omar at the Wisma Putera [Foreign Ministry]. [end recording] [passage omitted]



## Cambodia

**Koy Buntha Greets KPRAF Members on New Year**  
*BK140747 Phnom Penh Domestic Service*  
*in Cambodian 1200 GMT 13 Apr 88*

[Traditional New Year greetings from Defense Minister Koy Buntha to KPRAF cadres and combatants—read by announcer]

[Text] Dear comrade cadres and male and female combatants in the KPRAF:

On the occasion of our people's traditional New Year—the Year of the Dragon, the year 2532 BE [Buddhist era] or 1988—on behalf of the Defense Ministry and in my own name, I would like to extend my regards and best wishes to all comrade cadres and male and female combatants of the KPRAF who are actively carrying out defense tasks; those fighting and remaining ready to fight along the Cambodian-Thai border; cadres and combatants who are studying abroad; comrades who are sick or wounded; disabled cadres and male and female combatants receiving treatment in hospitals; and families of all fallen and disabled soldiers. May this new year bring you good health, great strength, and new victories in the cause of advance toward taking over the responsibility for the defense and construction of our glorious Angkor land.

The past year was the second year that our Army and people strived actively to implement the resolutions of the party's fifth congress, during which we scored immense achievements in all areas, thus enabling the Cambodian revolution's strength and advantage to firmly consolidate with each passing day and weakening the enemy another step both in terms of advantages and strength.

On behalf of the Defense Ministry, I highly commend all units, comrades, and male and female combatants of the KPRAF for accomplishing outstanding feats in fulfilling the tasks assigned by the party and state.

This year, our people's traditional New Year falls at a time when our Army and people throughout the country are enthusiastically emulating each other to zealously implement the resolutions of the sixth session of the party Central Committee, to create more outstanding feats to welcome the 10th anniversary of the historic 7 January National Day.

However, the enemy carries on maneuvers to sabotage our revolution in a more cruel manner than ever before. Its psychological warfare schemes are aimed at sabotaging our Army and undermining the special alliance of Cambodia-Vietnam solidarity.

Entering this new year with new tasks to carry out, we will absolutely score new and greater victories.

The entire KPRAF should advance valiantly, always hold aloft our revolutionary vigilance, and be ready to attack and smash all aggressive acts and psychological warfare schemes of all enemies, thus preventing them from gaining strength.

All comrade cadres and combatants and all units at all levels must try to gain knowledge with the assistance of experts and advisers so as to train yourselves to be responsible for your own tasks. You must always sharpen your will to fight and strive resolutely to successfully fulfill your two tasks and the three (?goals) put forth by the Fifth Party Congress. In particular, you must firmly grasp and effectively carry out the immediate tasks assigned by the (?party's Central Military Commission) and the Defense Ministry, thus creating new factors for advancing toward achieving self-responsibility in national defense and construction.

Availing myself of this occasion, I would like to extend my regards and best wishes to the comrade experts in the Vietnamese Volunteer Army who are carrying out proletarian internationalist duties in our country; to all sick, wounded, and disabled comrades, cadres, and combatants in hospitals; and to all Vietnamese fathers, mothers, brothers, and sisters who have sacrificed their relatives, sons, husbands, and nephews for the cause of our Cambodian revolution.

Once again, on behalf of the Defense Ministry and in my own name, I wish all comrades good health and success in carrying out all your tasks. I am confident that with your lofty sense of responsibility, in this new year all the comrade cadres, male and female combatants, militia units, and workers will certainly score new victories and greater feats to welcome the coming 10th anniversary of our historic 7 January National Day.

**Late March Agricultural Figures Cited**  
*BK141300 Phnom Penh SPK in English 1118 GMT*  
*14 Apr 88*

[Text] Phnom Penh SPK April 14—By late March, peasants throughout the country had reaped dry-season rice on 60 percent of the cultivated area of 118,900 hectares with an average yield of 2.4 [metric] tons per hectare.

Rice grown area in this dry season marked an increase of 2.6 percent over the last dry season.

The crepe factories of the General Department for Rubber Plantation have since early this year processed 4,100 tons of crepe.

Besides, the acreage under latex-yielding rubber has expanded to over 40,000 hectares as against only 39,000 hectares in 1987.

—Since early fishing season to late March, fishermen throughout the country caught 29,600 tons of river fish, achieving nearly half of the plan.

—In forest exploitation, by the same period, Kampuchean forest workers felled 73,390 cubic metres of timber, representing 45 percent of the yearly plan of 160,000 cubic metres. Of that figure, more than 30,700 cubic metres were turned out by the workers of the Forest and Wild Life Department and the rest by the solidarity groups of forest exploitation.

**Khieu Samphan, Son Sen Greet Sihanouk**  
*BK140805 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 13 Apr 88*

[Message from DK Vice President Khieu Samphan and DK Defense Minister Son Sen to DK President Samdech Norodom Sihanouk on the occasion of the Cambodian New Year; sent through the Democratic Kampuchean Embassy to the DPRK in Pyongyang]

[Text] Esteemed Samdech:

On the occasion of the traditional New Year, the Year of the Dragon of Buddhist era 2532 or Christian era 1988, we as well as all cadres, male and female combatants, and people would like to extend best wishes to the samdech. May you enjoy good health, long life, and successes in your noble, patriotic mission.

The struggle waged by our Cambodian people under the leadership of the CGDK, of which the samdech is president of the DK, has made another advance during the past year, thus causing the Vietnamese aggressors to suffer more difficulties on the Cambodian battlefield. Our people and the Cambodian soldiers who have been forced to serve the Vietnamese have more actively joined the national liberation struggle.

All of us are convinced that in this new year our Cambodian people's struggle will score more victories until the Vietnamese aggressors agree to settle the Cambodian problem politically by withdrawing all their troops from Cambodia.

All of us also wish neak moneang [title of Sihanouk's wife] good health and successes.

All of us are awaiting the good opportunity to meet with the samdech and neak moneang in this new year when both of you come to visit our people along the border and in the Cambodian liberated zone.

Please, Samdech, accept warmest and highest salutations from all of us.

[Dated] Democratic Kampuchea, 9 April 1988

[Signed] Khieu Samphan, DK vice president in charge of Foreign Affairs;

Son Sen, minister and member of the CGDK's Coordinating Committee for National Defense

#### Attacks on Vietnamese Positions Reported

**Kompong Cham Activities**  
*BK141358 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Apr 88*

[Text] On 5 April, our National Army attacked Chi Mon Township in Ponhea Krek District of Kompong Cham Province. We killed or wounded a number of Vietnamese soldiers; destroyed a materiel warehouse, 2 trucks, and some materiel; seized an AK and 2,000 meters of cloth; and liberated 5 villages, namely Chi Mon Khang Tbong, Chi Mon Khang Cheung, Chi Mon Khang Lech, Chi Mon Khang Kaet, and Chi Mon Phsa.

On 7 April, our National Army attacked a Vietnamese battalion position located in Tuol Chan village east of Route 6 in Tang Krang commune, Cheung Prey District, Kompong Cham Province. We killed 12 Vietnamese soldiers and wounded 8 others; seized 31 assorted guns—5 B-40's and B-41's, 2 RPG's, 2 M-72's, 2 RP guns, 20 AK's—5,000 rounds of AK ammunition, 25 B-40 rockets, and some materiel; and freed 2 fraternal Cambodian soldiers.

**Pursat Hill Position Hit**  
*BK141421 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Apr 88*

[Text] On 8 and 9 April, our DK National Army attacked a Vietnamese position on Hill 408 on Leach Khang Lech battlefield [Pursat Province]. We killed and wounded a number of Vietnamese soldiers. We also destroyed 13 assorted guns, including 1 B-40, 1 B-41, and 11 AK's, 8 hand grenades, 700 mines, 50 rounds of 82-mm mortar shells, 20 crates of AK ammunition, 10 AK magazines, 100 sacks of rice, and other materiel.

**Battambang Areas 'Liberated'**  
*BK141350 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Apr 88*

[Text] On 10 April, our National Army launched a two-pronged attack against Thmar Koul Township in Bavel District of Battambang Province. The first prong attacked the Vietnamese battalion position along the railroad; the second prong attacked the Bavel district office located in Thmar Koul market. After 30 minutes of fighting, we totally liberated these two fronts.

We killed seven Vietnamese soldiers on the spot and wounded eight others; destroyed eight guns—a 60-mm mortar, a 17.8-mm machinegun, six AK's—and some



war materiel; seized two AK's, three SKS guns, and some war materiel; and liberated five villages, namely Kasikam, Tonloap, Paoy Yong, Kouk Kduoch, and Paoy Samraong.

### Indonesia

#### Foreign Minister Holds First News Conference

##### Views Ties With PRC

BK151012 Jakarta ANTARA in English 0826 GMT  
15 Apr 88

[Text] Jakarta, April 15 (ANTARA/OANA)—Foreign Minister Ali Alatas firmly stated here Friday that a process towards normalization of diplomatic relations between Indonesia and the People's Republic of China (PRC) will be continued until the time comes to materialize them.

Speaking at his first weekly press conference after his appointment as foreign minister to succeed Mokhtar Kusumaatmaja, he further said that a recent statement by Chinese Deputy Foreign Minister Liu Shuqing in an interview with ANTARA saying that his government was eager to reopen diplomatic relations with Indonesia showed that the process towards the resumption of diplomatic ties between the two countries was on the move.

He said that the Chinese statement has given a clearer indication regarding the process for the normalization of diplomatic relations between the two Asian nations.

The government is striving to continue the process until the time comes to materialize the reopening of the relations, he said and hastily added that Indonesia would also step up direct trade with China.

"We will also continue our informal contacts since there are still many problems that should be solved," he said when answering a question on the process towards the normalization of diplomatic ties between Indonesia and China.

The Chinese deputy foreign minister in an exclusive interview with ANTARA earlier in the week said that his government was eager to reopen its diplomatic relations with Indonesia, frozen on October 30 1967 following the abortive communist coup attempt in 1965.

The Indonesian Government, as stated by President Suharto in his speech of accountability before the general session of the People's Consultative Assembly (MPR) on March 1 1988, that the resumption of diplomatic ties between the two countries depended on a pledge of the PRC not to interfere in the domestic affairs of others, Indonesia in particular, by assisting communist remnants. [sentence as received]

With regard to the condition, Liu said his country will not meddle into the affairs of other countries.

He said China was one of the inventors of the five principles of peaceful coexistence, one important principle of which is non-interference in the affairs of others. China, on the other hand, also did not like others to meddle into its domestic affairs.

#### Discusses Afghan Accord, Spratlys

BK151429 Jakarta ANTARA in English 1303 GMT  
15 Apr 88

[Text] Jakarta, April 15 (ANTARA/OANA)—Indonesia welcomes the signing of an agreement between Pakistan and Afghanistan taking place in Geneva, Switzerland, Thursday which is intended to pave the way for the withdrawal of Soviet troops from Afghanistan.

The accord was also supported by the Soviet Union and the United States.

Indonesia also hopes that the agreement can be implemented so that it will turn out positive impacts toward efforts to normalize the situation in South and West Asia, said Indonesian Foreign Minister [FM] Ali Alatas to the press here Friday.

The minister is also of the opinion that the agreement between the two countries serves as a proof of the positive role of the United Nations (UN).

The world organization has been criticized for its incapability of settling various conflicts.

The agreement shows us that with a political will and good diplomatic approach, the bid to settle a conflict will end successfully, FM Alatas said.

Following a diplomatic approach carried out by the special envoy of the UN secretary general, Diego Cordovez, four years ago, Pakistan and Afghanistan Thursday signed an agreement aimed at paving the way for the withdrawal of Soviet troops from the latter country in nine months starting from May 15.

The accord, jointly signed by the foreign ministers of the US, the Soviet Union, Afghanistan and Pakistan, stated that the Soviet Union will pull out half of its troops in Afghanistan—estimated to total 115,000—by August 15.

It is also stated that both Afghanistan and Pakistan will not support—directly or indirectly—rebellious or secessionist activities directed against each other.

Meanwhile, Minister Ali Alatas also stated that earlier Friday he received a courtesy call of Tran Quang Co, the chief delegate of Vietnam to the 44th session of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) which is to last until April 20.



The meeting between Alatas and Tran was also marked by a discussion of the Kampuchean problem and Spratly Islands disputed by two ASEAN (Association of South-east Asian Nations) countries, the Philippines and Malaysia.

Tran reaffirmed Vietnam's plan to take part in the informal meeting scheduled in the Indonesian capital city.

On Spratly Islands issue, Indonesia and other members of the association believed that it should be settled through negotiation and not military force.

Spratly Islands today are claimed by various nations such as the Philippines, Malaysia, Vietnam, and China.

Latest developments showed that Vietnam and China even involved in an armed conflict threatening regional stability.

According to Ali Alatas the best way to settle the problem is through a method that suits the concept of zone of peace, freedom, and neutrality (ZOPFAN).

Indonesian Foreign Minister Ali Alatas commented on the statement of armed forces (ABRI) commander General Tri Sutrisno which expressed his disappointment over inaccurate press reports on Indonesia. He said that Gen. Tri Sutrisno had his correct points in view of the many "good" reports launched by the foreign press.

"Good" reports, he went on, in this case means sensational and news-worthy for readers of some foreign countries.

Obviously, the foreign press has its own different views on what is good for them, he added.

However, the new Indonesian foreign minister welcomes foreign correspondents in Indonesia while also hopes that they will show better understanding on problems faced by developing nations like Indonesia.

### **Laos**

**Leaders Greet Newly Elected PRC Counterparts**  
*BK150420 Vientiane Domestic Service in Lao*  
1200 GMT 14 Apr 88

[Text] On 13 April 1988, Comrade Phoumi Vongvichit, acting president of the Republic; Comrade Kaysone Phomvihan, chairman of the Council of Ministers; and Comrade Sisomphon Lovansai, acting chairman of the Supreme People's Council [SPC] of the LPDR, sent greetings messages to Comrade Yang Shangkun, PRC president; Comrade Li Peng, PRC premier; and Comrade Wan Li, chairman of the National People's Congress [NPC] Standing Committee.

The message from Comrade Acting President Phoumi Vongvichit to Comrade PRC President Yang Shangkun reads as follow:

On the occasion of your election as president of the PRC, I would like to extend sincere greetings and best wishes to you, Comrade. I hope the relations between our two countries will be further improved and normalized for the benefit of the peoples of Laos and China as well as in the interest of peace and security in Southeast Asia and the world.

I wish you, Comrade, good health and success in performing your noble duties for the ever-increasing prosperity of the PRC.

The greetings message from Comrade Chairman of the Council of Ministers Kaysone Phomvihan to Comrade PRC Premier Li Peng reads as follow:

On the occasion of your appointment as premier of the PRC, I would like to express sincere greetings and best wishes to you, Comrade. I hope that on the basis of the implementation of the five principles of peaceful coexistence, the relations between our two countries will be further improved and will return to normal for the benefit of the peoples of Laos and China and in the interest of peace and stability in Southeast Asia and the world.

I take this occasion to wish you, Comrade, good health and new success in performing your noble tasks for the Chinese people's cause of socialist defense and construction.

The greetings message from Comrade Acting Chairman of the SPC Sisomphon Lovansai to Comrade Chairman of the NPC Standing Committee Wan Li reads as follow:

On the occasion of your election as chairman of the Seventh NPC Standing Committee, I would like to express sincere greetings and best wishes to you, Comrade. I hope that the time-honored relations of friendship between the peoples of Laos and China will be daily consolidated and developed in accordance with the aspirations of the peoples of the two countries for peace and stability in Southeast Asia and the rest of the world.

I wish you, Comrade, good health and success in performing your lofty tasks for the happiness of the Chinese people.

**Officials Attend Soviet Envoy's Reception**  
*BK141159 Vientiane Domestic Service in Lao*  
0000 GMT 13 Apr 88

[Text] On 11 April, Yuriy Mikheyev, ambassador extraordinary and plenipotentiary of the Soviet Union to the LPDR, and his wife organized a reception at their residence in Vientiane on the occasion of the traditional Lao New Year festival. Attending the reception as guests of honor on the Lao side were Phoun Sipaseut, Political Bureau member of the LPRP Central Committee, vice

chairman of the Council of Ministers, and minister of foreign affairs; Sali Vongkhamsoo, Political Bureau member, secretary of the party Central Committee, vice chairman of the Council of Ministers, and chairman of the State Planning Committee; Oudom Khatthi-Gna, alternate Political Bureau member and secretary of the party Central Committee; and Somlat Chanthamat, secretary of the party Central Committee; along with representatives of various ministries and departments.

During the reception, the guests also viewed the performances staged by Ms (Chebrega), a people's artist from the Moldavian SSR, and the shows performed by the (Fly) musical band.

The reception proceeded in a warm atmosphere of friendship and cordiality.

**Indochina Planning Coordination Endorsed**  
*BK131443 Vientiane Domestic Service in Lao*  
1200 GMT 13 Apr 88

[Text] This morning, Sali Vongkhamsoo, Politburo member of the LPRP Central Committee, vice chairman of the Council of Ministers, and chairman of the State Planning Committee; Dong Sy Nguyen, Politburo member of the CPV and vice chairman of the SRV Council of Ministers; Chea Chanto, alternate member of the KPRP Central Committee and PRK minister of planning, jointly endorsed the minutes of the third session for coordinated planning among Laos, Vietnam, and Cambodia which was held in Vientiane capital from 11 April.

During the session, the three sides considered and assessed the actual state of cooperation among the three countries in the past and analyzed strengths, weaknesses, and shortcomings so as to create conditions favorable to the next 5-year plans. With the spirit of reform now prevailing in the three Indochinese countries, as well as in fraternal socialist countries, and on the basis of the observations and assessments, the three sides unanimously laid down certain principles, forms, and methods of coordinated planning and cooperation in the economic and cultural fields. For example, they will assist each other in the construction of infrastructure, broadening economic cooperation and direct relations among agencies, localities, and the grass roots in appropriate forms, such as joint investment enterprises and contractual services. All of these must conform with the new mechanism.

Regarding the direction of cooperation from now to 1990, the three sides will concentrate on the fundamental tasks of cooperating to step by step realize the food supply program through mutual technical assistance; intensified agriculture; cultivation of rice and other of crops in each country; helping each other to prevent and suppress animal epidemics; implementing programs for the preservation of forests and the natural environment; exploiting and processing wood and jungle products;

researching, producing, and applying traditional medicine; broadening cooperation in the production of consumer and export goods so as to boost the volume of imports and exports on bilateral and trilateral bases; continuing to help each other solve the problem of communications and reviving Road No 13; and improving waterway transportation along the Mekong River. Moreover, the three sides will also cooperate in the revival and development of the tourist industry and (?train) cadres in various fields.

SRV Ambassador Nguyen Xuan and Li Hach, charge d'affaires ad interim of the PRK, and high-level cadres concerned were also presented at the ceremony.

**Philippines**

**Government Forces Arrest Honasan Accomplices**  
*OW151319 Tokyo KYODO in English 1303 GMT*  
15 Apr 88

[Text] Manila, April 15 KYODO—Government forces Friday arrested eight soldiers who freed failed coup leader, former Army Lt. Col. Gregorio Honasan, a radio report said.

The arrests were the first major break in the hunt for Honasan, who led the August 28 coup attempt last year, the most serious attempt to topple President Corazon Aquino.

Aquino is presently on a three-day state visit to China.

Navy Lt. Gerardo Mojica and seven of the 13 men belonging to the Special Warfare Group (SWAG) who apparently freed Honasan from a prison ship April 2 were nabbed in a raid on a private residence in suburban Quezon. The SWAG team led by Mojica was assigned to guard Honasan.

Col. Emiliano Templo, the leader of the combined military-police force, said Honasan was not in the house. He said "There are still other places that we are going to raid."

"Before the night is over, we will know whether he is there or not," Templo said in an interview with radio station DZXL.

The radio reporter said the raid was conducted at sunset but the news was withheld until 7:45 p.m. [1145 GMT] in order not to "jeopardize" other military operations.

Templo said the caretaker of the house, identified as Ayo Calma, was also taken into custody.

The raiders seized 19 M-16 Armalite rifles, grenades, pistols and other weapons and a powerful telescope mounted on a tripod.



Meanwhile, Defense Secretary Fidel Ramos earlier said he had reported twice to Aquino since she went abroad that the security situation in the country remained stable.

Ramos spoke with reporters after visiting military camps in metropolitan Manila to check on the "vigil" by the military during Aquino's absence.

A nationwide red alert, the highest state of combat readiness, was declared before Aquino left Manila Thursday morning.

"My report was that countrywide, there is nothing unusual, neither is there any significant development that would affect our security," Ramos said.

Fears were expressed of a new coup attempt during Aquino's China trip following the escape of Honasan and another coup leader, Lt. Col. Eduardo Matillano a week later.

But the military has downplayed Honasan's capacity to launch another coup, saying the most he could do was to generate antigovernment propaganda.

In her departure statement, Aquino said her visit will show that the Philippines has "achieved internal political stability and maturity."

The China visit is Aquino's first since her November 1986 trip to Japan before another coup plot was aborted.

**Further on Arrested Servicemen**  
*HK151349 Manila Radio Veritas in Tagalog*  
1300 GMT 15 Apr 88

[Text] The Armed Forces has arrested eight of the servicemen who aided renegade colonel Gregorio Honasan in his escape. The eight were arrested during a raid carried out by the Armed Forces on a house in Blairridge Subdivision, Quezon City, only a few kilometers away from Camp Aguinaldo.

The authorities confiscated Uzi machineguns, Armalites, grenades, bullets, and radio communications equipment. Arrested were Lieutenant Gerardo Mojica, leader of the guards who helped Honasan to escape; Salvador Villarosa, Romeo Congo, Carlito Jose, Eddie Magus, Robert Ganaad, Bernabe Barbacena, and Romeo Rugion. The military also arrested the caretaker of the house where the soldiers were found.

In this regard, it is reported that the president has already been informed of the arrest and has sent a message of thanks to the Armed Forces. This is also the reason for the tighter security measures now in force in Metro Manila.

**Constabulary Chief on Honasan's 'Hit List'**  
*HK150759 Manila PHILIPPINE DAILY*  
*GLOBE in English 15 Apr 88 p 2*

[Text] Maj. Gen. Ramon M. Montano, PC-INP chief, bared yesterday some of the names in the hitlist prepared by discharged army officer Gregorio Honasan.

Montano said Honasan is expected to launch "small-scale sporadic attacks," like assassinations, "because his cause has degenerated into a personal one."

Included in the hit list, Montano said, are President Aquino, Defense Secretary Fidel V. Ramos, AFP [Armed Forces of the Philippines] Chief of the Staff Gen. Renato de Villa, himself and several other civilian and military personalities "who participated in preventing a coup attempt in September to November 1986 and the crushing of the Honasan-led putsch last August 28."

A successful assassination attempt against President Aquino, Montano said, will in effect establish a "constitutional coup."

Military observers perceive that Vice President Salvador Laurel is a "bit" sympathetic to the opposition and is more acceptable to Honasan's group.

Montano said there is a strong possibility that Honasan is in Metro Manila but "has very limited options (to start large-scale violence)."

"His operations now are limited to propaganda against government and military officials and sporadic small-scale attacks which would support his propaganda line and give him an image of strength," Montano said.

While Montano did not discount the possibility of another coup attempt, he said Honasan has only about 100 men left and that number is not enough to succeed in destabilizing the government or even take over the government.

However, Honasan may just launch another adventure if given the proper "backing and encouragement by some people," Montano stressed.

The remaining forces under Honasan come mostly from those who remain unaccounted for after the August 28 coup attempt.

Military forces, Montano said, are preempting any coup attempt by looking for the people he will most likely contact and place them under surveillance.

Montano did not identify the personalities who have been placed under surveillance.

Honasan bolted from detention aboard a navy frigate, BRP Andres Bonifacio last April 2 and has since then been the subject of an intensive manhunt by the military.



**Arrest of 28 August Coup Leader Confirmed**  
*HK151013 Manila Radio Veritas in Tagalog*  
*0700 GMT 15 Apr 88*

[Text] Colonel Oscar Florendo confirmed a report that yet another leader of the failed 28 August coup attempt has been arrested. The coup leader was identified as Air Force Colonel Roberto Manuel and was arrested in Lucena City yesterday. Manuel led rebel forces which temporarily occupied Villamor Air Base at the height of the 28 August coup.

[Begin Florendo recording in English] Lieutenant Colonel Roberto Manuel who was an Air Force officer, was allowed out on pass pursuant to Article No 2 of the Armed Forces of the Philippines—this is an SOP on the handling of detainees. He was allowed out on pass to go home. At the expiration of his pass, he did not come back, so the Air Force security and the legal office sent a team to look for him. They were able to find him in his residence and of course, they asked him to come back. And he came back. [end recording]

**Islamic Militants Commemorate Bombing of Libya**  
*HK150921 Hong Kong AFP in English 0849 GMT*  
*15 Apr 88*

[Text] Manila, April 15 (AFP)—Hundreds of Filipino Islamic militants marched here Friday and burned the U.S., British and Israeli flags in a demonstration to mark the second anniversary of the U.S. bombing of Libya.

An estimated 400 people, including a few Middle Eastern students, marched through a central park with a portrait of Libyan leader Mu'ammar al-Qadhafi at the head of the column, but riot police blocked them on their way to the U.S. Embassy.

Chanting "Allah is great" and raising clenched fists, demonstrators led by Moslem separatists accused Washington of "terrorism" and "barbarism" in the April 15, 1986 bombing of Libya.

They also denounced Israel for the crackdown in the occupied territories and Britain for backing the bombing of Libya.

**Three Arrested in Anti-bases Demonstration**  
*HK151127 Hong Kong AFP in English*  
*1059 GMT 15 Apr 88*

[Text] Manila, April 15 (AFP)—Police arrested three student activists here Friday after breaking up a left-wing demonstration demanding the immediate removal of U.S. military bases in the Philippines.

Police used clubs to disperse about 120 students, chanting "Down with imperialism," who had marched to the U.S. Embassy here and sat down on the pavement in defiance of police, eye-witnesses said.

Students fought back briefly with rocks. Three male students were detained, including one who suffered a deep gash on the head.

**Negotiators To Discuss U.S. 8-Point Proposal**  
*HK150359 Quezon City Radyo ng Bayan in Tagalog*  
*0300 GMT 15 Apr 88*

[Text] The Philippine position on the eight-point proposal put forth by the U.S. negotiating panel in the current review of the Military Bases Agreement will be known when Foreign Secretary Raul Manglapus returns from China. Secretary Manglapus is in China accompanying President Cory Aquino. The details from Tony Valencia:

[Begin recording] The eight-point proposal was set forth by the U.S. panel last Monday, accompanied by the 2 Filipino base commanders at Clark Air Base and Subic Naval Station. According to the Philippine panel, the presence on the panel of the two commanders was needed to help with technical discussions on the issue. The eight-point proposals are as follows: crisis measures, boundary security and protection, manning and control of the bases' security forces, trespass prosecution, guaranteed appearance by respondents at trial and regional trial courts, ensured access, ingress and movement between the facilities, and compensation [word indistinct] as earmarked for security. The discussions on this eight-point proposal are expected to be heated because the Philippine panel has given no hints about its stand on the issue, except to say that the matter is being thoroughly studied and evaluated. [end recording]

**Some Points 'Unacceptable'**  
*HK150809 Manila THE MANILA CHRONICLE*  
*in English 15 Apr 88 pp 1, 6*

[By staff member Marites Sison]

[Text] Some proposals submitted by the US Government regarding security for the American military facilities here were "unacceptable" to the Philippine panel, informed sources said yesterday.

The sources did not elaborate but competent observers said the US proposals could be one way of circumventing the Philippine position demanding the repeal of a controversial provision in the bases agreement.

That provision guarantees "unhampered US military operations" in the bases.

Working groups of both panels in the ongoing review met for three hours yesterday to tackle the controversial proposals on bases security.

US Ambassador Nicholas Platt did not attend the meeting because his Philippine counterpart, Foreign Secretary Raul Manglapus, is accompanying President Aquino on her state visit to China.

In a press briefing Monday, Ambassador Leonides Caday, Philippine panel spokesman, enumerated the US proposals on bases security. These included:

Boundary security and protection, manning and control of base security forces, trespass prosecutions, guaranteed appearance of defendants, regional trial court, ensured access, access and movement between the facilities, and compensation efforts and earmarks for security.

Observers said the US was apparently "asking too much" because it already enjoys broad powers inside the bases under the agreement.

Aside from retaining "effective command and control" over the facilities and over American personnel, employees, equipment and material in the bases, the US also:

Can, theoretically, use land and sea access anywhere in the Philippines as long as the public safety is assured.

Uses up two thirds of the air routes in the Philippine flight formation and a large proportion of the Philippines' internationally assigned radio frequencies.

Is allowed to use the sand, water and air space adjacent to the bases.

The sources said the US panel had invoked Article 15 on security legislation when it presented its proposals.

The article provides that, "The Philippines agrees to take such steps as may from time to time be agreed to be necessary with a view to the enactment of legislation to insure the adequate security and protection of the US bases, equipment and other property and the operations of the US under this agreement, and the punishment of persons who may contravene such legislation."

Meanwhile, Admiral Ronald Hays, the commander in chief of the US Forces in the Pacific (CINPAC), has said the bases here "are not irreplaceable."

He said that if the Philippines decides to let go for the bases after 1991, one of the "strategically most attractive" alternatives is Taiwan.

In an article in the March 30 issue of the 'HONOLULU ADVERTISER', Hays said his headquarters is now studying alternatives to the use of the US bases here.

**Panel 'Likely' To Ask \$4-\$5 Billion for Bases**  
*HK150753 Manila BUSINESS WORLD in English*  
15 Apr 88 p 1

[By Ma. Cecile S. Bautista]

[Text] The Philippine panel will likely ask for \$4-\$5 billion in annual rental for the American base facilities until the expiration of the Military Bases Agreement [MBA] in 1991.

This was disclosed to BUSINESS WORLD by a member of the preparatory committee for the MBA review which formulated the Philippine panel's stand during the negotiations.

Foreign Secretary Raul Manglapus, when asked earlier if the hometown panel would ask for a \$1-billion yearly rent, said they would ask for "billions."

The source, who requested anonymity, said the panel will start with a ceiling price of \$4-\$5 billion. This is likely to be whittled down by the American panel, however, in view of the U.S. trade deficit and budget cutback.

The source said the figure was based on studies on opportunity costs for the Philippines, alternative costs of the U.S. for relocation of the bases, and compensation received by other host countries.

The studies were made not only by government agencies such as the Department of Foreign Affairs [DFA], the National Economic and Development Authority [NEDA], and the Congressional Economic Planning Staff but also by independent foreign groups, some of them American.

The recommendations of the DFA and NEDA studies were not released. The Congress study, however, showed that the country stands to gain so much more (P12 billion) if the bases were converted.

Also, the Congress study placed the asking price for the bases at \$1.2 billion annually. This figure is "very low," the source said, and "does not reflect the amount the U.S. would have to spend if the bases were moved."

At the start of the review talks last week, U.S. Ambassador Nicholas Platt, in his opening statement said "serious budgetary constraints" of the U.S. and the "serious deficits and imbalances must be addressed as a matter of too priority."

Apparently, this served fair warning to the Philippine panel that it should not ask for an unreasonable figure in compensation.

"We see their problem," the source said, "but then this means, maybe it's time for other countries (benefitting from the presence of the bases) to share the burden. It's up to them to talk."

Japan is a likely candidate, the source said, pointing out that oil from the Middle East, "the lifeblood of Japan's economy" passes through sea lanes protected by American forces in the Philippines.

He said Japan would not miss a few billion dollars, considering its trade surplus of close to \$100 billion.



The U.S. could also ask European countries to contribute, since it would be in their interest to keep open vital sea lanes that may be threatened by Soviets if the Americans are forced to pull out.

**Senator Opposes Retention of Foreign Bases**  
*HK151021 Manila Radio Veritas in Tagalog*  
0700 GMT 15 Apr 88

[Text] Senate President Pro Tempore Teofisto Guingona strongly opposes the retention of foreign military bases in the country. In a news conference this morning, Guingona stressed the need to maintain a nuclear-free zone in Southeast Asia.

[Begin Guingona recording] Because it is important that our Southeast Asian region be a zone of peace, neutrality, and be nuclear-free, we need to insist on the withdrawal of Soviet military bases from Vietnam. Chairman Gorbachev had stated that if the military bases are removed from the Philippines, he will also agree to withdrawal of their bases from Vietnam. [end recording]

**Multilateral Trade Agreement Signed**  
*HK150807 Manila BUSINESS STAR in English*  
15 Apr 88 p 1

[Text] The Philippines has recently gained entry into the Global System of Trade Preferences (GSTP), a multilateral treaty on preferential trade among developing countries which form the Group of 77, following the conclusion of its schedule of tariff concessions with India and South Korea.

A six-man delegation, led by Foreign under secretary Raul Ingles, negotiated the exchange of tariff concessions with the two countries. The exchange of concessions qualified the Philippines as participant and signatory to the GSTP agreement which was signed by 45 other member countries of the Group of 77.

Trade undersecretary Raul A. Boncan, a member of the delegation signed the agreement for the Philippine government during the closing session of the GSTP ministerial meeting in Belgrade, Yugoslavia, which was held on April 11-13.

The Philippines received from Korea a 10 percent margin of preference on crude coconut oil and copper cathodes and wire bars. From India, it received a 10 percent margin of preference on abaca fiber.

Ingles, who was elected vice-chairman of the ministerial meeting, said "wider participation of developing member countries of the Group of 77 would allow wider product coverage and greater value in the concessions exchanged among participant nations." The GSTP agreement is a multilateral treaty which aims to promote and sustain trade as well as economic cooperation among developing countries.

It is a project sponsored by the United Nations Conference on Trade and Development (UNCTAD) which seeks to encourage developing countries, like the Philippines, to grant tariff and non-tariff preferences to one another in the same way members of the Association of Southeast Asian Nations operate under the ASEAN Preferential Trading Arrangement.

**Macaraig Talks With Aquino About Security**  
*HK151151 Quezon City Radyo Ng Bayan in Tagalog*  
1030 GMT 15 Apr 88

[Excerpts] The president has called up her Executive Secretary Catalino Macaraig to report on the latest activities in her official visit to China. Secretary Macaraig said that the president's last call from China was at 1330 this afternoon, adding that the president was also able to speak to her two daughters staying at the guest house. [passage omitted]

Secretary Macaraig also reported that the president may act on the replacement of Supreme Court Justice Claudio Teehankee on Monday. Teehankee's term is due to expire this week. According to Macaraig, three names are being mentioned as possible successors, namely, Justices Pedro Yap, Andres Narvasa, and Marcel Fernan, who, he said, were all recommended by the Philippine Bar Association. The president will also have to deal with 16 positions to be left vacant in regional trial courts including those in and out of Metro Manila.

Meanwhile, Defense Secretary Fidel Ramos and Armed Forces of the Philippines chief General Renato de Villa have assured Secretary Macaraig of peace and order all over the country. They have said there is no need for people to be concerned, especially about the Honasan group. Secretary Macaraig said there had been no reports of disturbances when he last talked to the two military officers this afternoon.

Secretary Macaraig also said that he had approved the leave of absence of Rizal Park administrator Amado Lansang Jr. It will be recalled that Rizal Park employees are refusing to return to work unless Lansang is removed from office. Rizal Park is in a mess as a result of the employees' boycott.

From Malacanang, Emphy Lazaro reporting.

**Former President Condemns Coup Rumors**  
*HK141347 Manila THE MANILA CHRONICLE*  
in English 14 Apr 88 pp 1, 7

[By Diosdado Macapagal, former president of the Republic of the Philippines]

[Text] As former commander-in-chief of the Armed Forces, I call on any military officer or group with coup designs to come to their senses and refrain from assaulting the duly constituted democratic Government of President Corazon Aquino during her state visit to



China. This appeal is being made for the sake of democracy and the well-being of millions of Filipinos, including the families of the coup plotters.

The lesson taught by the 1986 EDSA [Epifanio de los Santos Avenue] peaceful revolution and the failed coup of Aug. 28 is that no coup attempt against the Aquino Government can succeed because in a democratic society like the Philippines, the people will in the end prevail against ambitious adventurers who do not seem even to understand the rudimentary imperatives of democracy.

The President went abroad despite threats to the stability of her Government because of her faith in the Filipinos as an indubitably and irrevocably democratic nation, knowing that democracy can prove again to the world that the Filipinos are a thoroughly democratic and freedom-loving people by keeping our democratic government safe from coup adventurers while our President is discharging an official duty abroad.

This call is addressed to all truly freedom-loving Filipinos, particularly to:

—Secretary of Defense Fidel V. Ramos and Armed Forces chief of staff, Gen. Renato de Villa, and the loyal officers and men under them, whose duty is to defend democracy with their guns provided by the people for that purpose and who are now given the golden opportunity of a lifetime to become authentic and immortal heroes of democracy and freedom.

—Senate president Jovito Salonga, with the other senators, and Speaker Ramon Mitra, with the other congressmen, who carry a mandate and responsibility from the sovereign people in free and fair elections known only in a democratic society.

—Vice President Salvador Laurel, with other officials in the Executive branch, who accepted a sworn duty in a democratic government directly or indirectly from the people.

—Chief Justice Claudio Teehankee and/or his successor and the other justices and judges with their personnel who likewise solemnly obligated themselves to such sworn duty indirectly emanating from the people.

—Governors, city and municipal mayors, other local officials with their staff, barangay captains and councilors, who exercise public power directly from the people.

—Newspaper owners, publishers, editors, radio and television broadcasters, and other media professionals with their staff in the Fourth Estate who enjoy one of the most precious freedoms in a democratic polity with the commensurate responsibility that it entails.

—All of you together have an inherent duty in a free society of eternal vigilance as the price of liberty.

Do your duty, all of you who are anointed institutional vigilantes of democracy and freedom, all or some of you who lead in the defense of democracy against any misguided proponents and minions of dictatorship and militarism; and we the citizens who are adherents of democracy, whatever our age, position, or condition in life, will rally behind you in a renewed libertarian and democratic struggle or combat, if need be, to the death.

Let us together thereby demonstrate again and for all time that the democratic Filipino people, indeed, any genuinely freedom-loving nation, acting in cohesion to defend our divine rights and liberties with a collective might that comes from God, will frustrate and annihilate the tyrant-minded and foolhardy liliputians who derangedly and treasonably think and act as if they are stronger than, and ought to be masters of, the sovereign people.

**Senate Reviews Armed Forces Articles of War**  
*HK141319 Manila MANILA BULLETIN in English*  
14 Apr 88 pp 1, 20

[By Mario Casayuran]

[Excerpt] The Senate started yesterday reviewing the Articles of War of the Armed Forces of the Philippines (AFP) to minimize the grievances against the military.

Sen Ernesto Maceda, chairman of the Senate committee on national defense and security, described the review as "urgent," following the detention and escape of two top AFP officers belonging to an elite military group that helped overthrow the past leadership and tried to topple the Aquino government in a coup attempt last Aug 28.

Maceda made the announcement after hearing the testimonies of Brig Gen Mariano Adalem, new commanding general of the Philippine Army, and Capt Arnaldo Manalo, custodial officer of Lt Col Eduardo Matillano, who escaped from Fort Bonifacio last April 8.

Matillano is a close friend of renegade former Army colonel Gregorio Honasan, who escaped with his 14 Navy Special Warfare Group (SWAG) guards from his prison ship, the BRP "Andres Bonifacio," anchored at Manila Bay last April 2.

The review of the AFP's Articles of War, Maceda said, which will last two weeks, is being made by retired Brig Gen Felix Brawner Jr, a consultant of Maceda's committee, as chairman. Members of the review panel are Judge Alex Castro, committee secretary, and the representatives of Senators Mamintal Tamano, Santanina Rasul, and Juan Ponce Enrile, minority floor leader and former defense minister.

Maceda said the testimonies given during the three hearings conducted by his committee since Honasan's escape last Black Saturday showed that the leaders and

soldiers involved in the last two coup attempts have been detained without charges since last year, unlike the speedy filing of criminal charges involving civilians.

Maceda said his committee will report out next week his investigations on the Aug 28 coup attempt and the escape of Honasan and Matillano.

The Senate committee hearings led to the early disposition of the cases of military personnel linked to the coup attempts.

Released yesterday for lack of evidence were 116 soldiers and policemen linked to the failed Aug 8 coup, Maceda said.

The hearings also focused on the alleged neglect of AFP personnel, Rasul, committee vice chairman, said.

Maceda also announced that he will submit to the Senate floor a final recommendation on his bill creating the Department of Internal Police and Security (DIPS) which, seeks the transfer of the PC from the AFP to the proposed Philippine National Police (PNP).

"It has an impact on the question of continuing factionalism and division in the AFP," Maceda said.

The Articles of War, created by Commonwealth Act No 408 in 1936, is the AFP's "Bible," Maceda said.

One of the proposals included in the updated Articles of War is the decentralization of powers of the Judge Advocate General's Office (JAGO), Maceda said.

Under a decentralized system, the JAGO will be allowed to conduct administrative summary proceedings for minor crimes that clog the AFP's courts martial.

Maceda said that the detention of more than 2,000 officers and men as a result of the raid on GMA-TV Channel 7 and the Aug 28 coup strained the military's courts-martial system.

"It also highlighted the dilapidated detention centers of the military and the eventual "fraternization" of the guards and the detainees," he said.

The laxity in security arrangements for AFP detainees and the camaraderie between the detainees and their guards enabled Honasan and Matillano to escape, he added.

Honasan and Matillano complained to their guards about the long delay in the disposition of their cases, Maceda said. [passage omitted]

**Military Initiates New Anti-NPA Tactics**  
*HK141321 Manila PHILIPPINE DAILY GLOBE in English 14 Apr 88 p 7*

[By correspondent Noemi Alcalá]

[Text] CAPCOM [Capital Command] chief Brig. Gen. Alexander Aguirre said yesterday that the military has launched a new strategy in its counter-insurgency campaign in Metro Manila.

Dubbed as Special Operations Team System (SOTS) Aguirre said the approach involves utilizing a group of soldiers to live in certain New People's Army-infested areas to monitor rebel movements and identify peace and order problems in these areas.

Aguirre made the announcement during a peace and order briefing held at the Pasay city hall. It was the first in a series of conferences to be conducted by CAPCOM authorities and local officials in every metro town and city.

He said CAPCOM started implementing SOTS only last Saturday with Maricaban in Pasay as pilot area.

Some 60 military men were assigned by Aguirre to live with the people. The military men, Aguirre said, are disguised as civilians and will stay there indefinitely until they have come up with their reports.

Aguirre said that out of 1,687 barangays in Metro Manila, they have classified 13 barangays to be NPA-infiltrated areas and 37 as "NPA threatened areas."

Also at the same conference, Aguirre said that Pasay city lacks policemen. He said there are 425 officers and men in the police force but only 346 are effective while 79 are considered ineffective.

He said their number is inadequate for a city with a population of 348,923. As it is, the prevailing ratio in the city is one policeman for every 1,024 residents. He said that this is way below the ideal ratio of one policeman for every 500 residents.

Among those who attended the conference were Brig. Gen. Fernando Angara, Southern Police District superintendent; Brig. Gen. Rodolfo Biazon, National Capital Region Defense Command chief; Col. Jesus Garcia, Pasay city police chief and Mayor Cuneta.

**Troops Dismantle NPA Communication Center**  
*HK141139 Quezon City GMA-7 Radio Television Arts Network in Tagalog 1030 GMT 14 Apr 88*

[Text] Government troops have dismantled a NPA communication center in Bataan. The communication center was discovered in a concrete house in Orion town where



modern equipment was stored. An NPA amazon was arrested when the safehouse was raided yesterday. Three rebels eluded capture by using an underground tunnel.

According to the PC, the facility was used by the NPA as a collection center for messages from Southern and Central Luzon, and Metro Manila.

**Leyte NPA Sparrow Unit Leader Surrenders**  
*HK141335 Manila PHILIPPINE DAILY*  
*INQUIRER in English 14 Apr 88 p 6*

[By Danny Petilla]

[Text] Bato, Leyte—The dreaded leader of a New People's Army Sparrow unit here surrendered to authorities recently and admitted NPA involvement in several unsolved killings of politicians, policemen and soldiers.

Salome Ansali Jr., 20, top hitman of the Rodolfo Adanza Brigade (RAB) urban guerilla unit reportedly responsible for at least 17 killings, surrendered to Bato Mayor Ernesto Montejo last April 2.

"Marami na akong buhay na inulang, hindi ko na kaya," (I have killed so many, I cannot stand it anymore) the guilt-stricken Ansali told the INQUIRER.

The six-man RAB, named after Southern Leyte's first political martyr Rodolfo Adanza, was linked by the military to several political assassinations, killings of cops and soldiers in the nine-town fifth district of Leyte.

Ansali confessed he and his comrades killed Baybay OIC [Officer in Charge] mayor Florencio Centino, St. Bernard KBL mayoral bet Erlinda Capili, Matalom administration vice-mayoral bet Tomas Pada, councilor Teodosio Odias, several other policemen and soldiers whom he failed to identify.

Cenoino was killed late last year while Pada, Odias and Capili were killed a few days before the Jan. 18 local elections. They were liquidated for their "anti-revolutionary" activities, Ansali said.

Ansali, who went underground in 1984 and became a full member of the Communist Party of the Philippines (CPP) April last year, also revealed that the NPA was not responsible for the killing of Tacloban radio commentator Ramon Noblojas.

He pledged to cooperate with the government as he pinpointed to military authorities his comrades' safehouses in Southern Leyte and bared major targets for liquidation, including Rep. Eriberto Loreto (5th district, Leyte), military and local officials actively involved in organizing vigilante groups.

Ansali, who availed himself of the government amnesty program, wants to have a job and be reunited with his two brothers and a sister now living in foster homes.

Maria Piedad, 22, an NPA amazon with a four-month old baby girl also surrendered to Mayor Montejo earlier.

**Baylosis Says Plot Fabricated by Military**  
*HK141325 Manila PHILIPPINE DAILY*  
*INQUIRER in English 14 Apr 88 pp 1, 8*

[By Nimfa Rueda]

[Text] A suspected communist leader said yesterday the military planted documents during a recent raid on a rebel safehouse which revealed a rebel plot to sow intrigue between the Aquino Administration and the Armed Forces.

Rafael Baylosis, alleged secretary general of the outlawed Communist Party of the Philippines [CPP], told newsmen the controversial documents are "fake" during his arraignment at the heavily-guarded Pasig regional trial court.

"They (the documents) could have been fabricated," Baylosis said at Judge Martin Villarama's sala where he and four other rebel leaders were to have been arraigned on charges of illegal possession of firearms and rebellion.

Villarama adjourned the proceedings until May 13 after the defendants' lawyer, Romeo Capulong, argued that there had been no preliminary investigation.

Villarama ordered lawyers of both sides to consult on the case. The five suspects were returned to their detention cell at Camp Crame.

Baylosis was arrested March 29 at a condominium on 239 Lt Artiaga St. in San Juan, together with Romulo Kintanar, alleged overall commander of the New People's Army, Benjamin de Vera, a central committee member, Marco Palo, a liaison officer, and Ma. Gloria A. Jopson, a CPP finance officer and Kintanar's wife.

A week after the arrest, the military furnished newsmen with photocopies of documents allegedly contained in computer diskettes during the San Juan raid.

The documents included a draft of an open letter allegedly prepared by the rightist Reform the Armed Forces Movement (RAM) which implicates Defense Secretary Fidel Ramos in a military plot to seize power and set up a civil-military junta.

Also enclosed in the RAM letter are minutes of a meeting President Aquino's brother, Rep. Jose Cojuangco (PDP-Laban, Tarlac), allegedly had with three CPP representatives.

The military said the CPP "fabricated" the documents which were intended to be leaked to different factions in the military or the media.



The four other alleged CPP leaders, however, confirmed the statement of Baylosis that it was the military who "fabricated" the documents.

Kintanar also denied explosives and firearms were seized from them. [passage omitted]

**Surrendered Communists View CPP-NPA Rift**  
*HK141151 Manila Radio Veritas in Tagalog*  
0700 GMT 14 Apr 88

[Text] The military has revealed a continuing rift between the Communist Party of the Philippines [CPP] and the New People's Army. Armed Forces Spokesman Oscar Florendo said that if the rift continued within the communist organization, the rebels would all be wiped out by the military. Florendo made the statement after two top CPP-NPA leaders surrendered yesterday. The surrenderees were identified as Emil G. Rubion alias Ka [comrade] Rio or Ka Arbis; and D.C.M. Adarayan alias Ka Imee or Ka Lolit.

Rubion is a member of the executive committee of the Far North East District, North Samar provincial party committee, and secretary of the technical staff of the Far North East District codenamed Botica. Adarayan, meanwhile, is a finance officer of section one of the Far North East District in Samar, codenamed Medicol.

In an interrogation, Rubion said they surrendered because of difficulties, political and financial, within the organization. He said the numbers of members had continuously been dropping. According to Rubion, the CPP-NPA's support among the people is waning, causing most of the members to surrender.

**NPA Attacks CHDF Detachment, Two Killed**  
*HK141143 Manila Radio Veritas in Tagalog*  
0700 GMT 14 Apr 88

[Text] Around 80 communist terrorists or NPA raided and burned a CHDF detachment in Barangay Bagunot, Baggao town, in Cagayan recently.

According to a report received by Camp Aguinaldo, the raid occurred at around 1800, resulting in the death of two CHDF members and the loss of one M-14 rifle. Slain were Froilan Burgos and Reynaldo Aguinaldo. Military authorities are presently investigating the incident.

**Thailand**

**Opposition Submits No-Confidence Motion**  
*BK150756 Bangkok Domestic Service in Thai*  
0530 GMT 15 Apr 88

[Text] The opposition parties this morning submitted to House Speaker Chuan Likphai a no-confidence motion against the entire cabinet of ministers. The speaker later told newsmen that the document will first be registered by the Assembly Secretariat before taking effect as a

motion. Officials will check the contents as well as signatures of the document to see if it complies with the Constitution. Then the date for the debate will be fixed based on the convenience of both the government and the opposition. In general, it should take about 2 weeks to start the debate after the motion is submitted to the parliament.

Samak Sunthorawet, leader of the Prachakon Thai Party, reported that there are 85 signatures on the motion, one signature more than on the censure motion submitted during the previous parliamentary session. Of the 85 signatures, 25 are from the Prachakon Thai Party, 19 from the Ruam Thai Party, 19 from the United Democratic Party, 9 from the Community Action Party, 7 from the Progressive Party, 3 from the Muanchon Party, and 1 each from the Labor Democratic Party, the Liberal Party, and the National Democratic Party. The motion is four and a half pages long and covers matters involving political, administrative, economic, social, and foreign affairs. The opposition parties charged the government with inefficiency and its cabinet of ministers with corruption.

Colonel Phon Roengprasoeitwit, representative from Uthai Thani Province, in his capacity as chairman of the United Democratic Party's advisory board, later submitted a letter to the House speaker indicating that the United Democratic Party has not officially adopted a party resolution on a no-confidence motion against the entire cabinet. The party will host a meeting on 18 April to decide on the matter.

**THE NATION Views Action**  
*BK150117 Bangkok THE NATION in English*  
15 Apr 88 p 8

[Editorial: "Censure Motion: A Test of Prem's Leadership"]

[Text] The opposition bloc plans to submit a motion this morning calling for a censure against Premier Prem Tinsulanon and Cabinet. Opposition leaders were jubilant yesterday when they collected 85 signatures endorsing the motion, 15 more than the required minimum.

If the motion is submitted as planned, it will be a major setback for Prem's side. Prem's followers had tried to stop the motion by relying on Phon Roengprasoeitwit, chief adviser to the United Democratic Party, to lobby his party to boycott the censure attempt. But 18 MPs in this largest opposition party joined United Democratic Party leader Buntheng Tongswat in endorsing the motion.

Prem's followers can still try to approach MPs who have endorsed the motion to reconsider. Perhaps some incentives will be offered to stimulate sudden change of mind. Perhaps rumours of a coup or a dissolution of the House will also be

spread to arouse fear. This ploy worked last April when 15 MPs abandoned a similar censure motion on the morning when the censure was scheduled to begin.

However, the coup threat may not be as credible as it was last April. This time, the Army has indicated it will stay out of the political struggle. Army Chief Chawalit Yongchaiyut has said that censuring Prem poses only a threat to Prem's premiership, but not a threat to national security.

Without active Army involvement, Prem's followers will continue to pin hope on Phon to pull strings inside United Democratic Party. Other targets for lobbying are MPs in Ruam Thai and Community Action parties.

Should the lobbying fail, Prem will have three options. He can skip the censure debate. He can cut it short when it gets too inflammatory. And he can dissolve the House to avoid the censure altogether.

Dissolving the House will hurt Prem's reputation and leave him a caretaker premier when he visits the Soviet Union, Finland, Hungary and Britain beginning in mid-May. There is also no guarantee that he would be invited back to head a new government.

Skippping the censure debate and leaving his Cabinet members to face the political tongue-lashing will not reflect well on his leadership.

Therefore, facing the censure seems to be the least damaging option. Prem is in no danger of losing the confidence of the House because he still has firm support from his four government parties which control 234 MPs in the 347-member chamber. If the Opposition becomes unruly—though it has no logical reason to—Prem can signal an end to the debate and call it a day.

**USSR's Rogachev Arrives in Bangkok**  
*BK150111 Bangkok THE NATION in English*  
15 Apr 88 p 2

[Text] Deputy Soviet Foreign Minister Igor Rogachev said last night's agreement on Afghanistan will have a "positive impact" on the Kampuchean problem, and described Premier Prem Tinsulanon's planned visit to Moscow as "very important" for the Thai-Soviet relations.

The Soviet Union, United States, Pakistan and Afghanistan signed an agreement at Geneva setting up the withdrawal of 115,000 Soviet occupation troops from Afghanistan within nine months.

"It's good news for everybody, for all countries, especially (those) in the Asia and Pacific region. It will have a very positive impact in the area and on (efforts to solve) other regional conflicts," he said.

"It's not good only for the (Kampuchean) problem, but for other international problems," he added.

Rogachev arrived in Bangkok last night for the last leg of his Southeast Asia visit. He will meet Foreign Minister Sitthi Sawetsila today and Premier Prem Tinsulanon on Monday.

He was greeted at the airport by Deputy Foreign minister Praphat Limpaphan.

But Foreign Ministry spokesman Sarot Chawanawirat said earlier that the agreement leading to a Soviet withdrawal from Afghanistan can hardly be seen as leading to a similar solution to the Kampuchean problem, because the situations in the two countries are different.

Sarot said yesterday that Thailand welcomes the Afghan agreement.

But Thailand understands that the peace pact does not mean an end to the fighting, because both the Soviet Union and the United States still retain the right to supply weapons to both the pro-Soviet Najibullah government in Kabul and the pro-American Mujahidin resistance fighters, he said.

Moreover, when the superpowers could not agree to cease the arms support, a government of national reconciliation could not be set up as earlier proposed by Pakistan, Sarot said.

The agreement was reached after concerned parties, as well as the United Nations, tried to resolve the conflict, Sarot said, adding that the pact will bring back peace to the region, and that Thailand will support the UN and Pakistani resolution until it reaches the final settlement.

Unlike the Kampuchean problem, the Soviet Union was directly involved in the Afghan conflicts, which actually became an East-West issue and was settled through the UN mechanism.

**Discusses Afghanistan, Cambodia**  
*BK151331 Hong Kong AFP in English*  
1321 GMT 15 Apr 88

[Text] Bangkok, April 15 (AFP)—The political settlement reached in Afghanistan could serve as a guide for peace in Cambodia, Soviet Deputy Foreign Minister Igor Rogachev said here Friday.

"We are sure that the experience over prolonged talks on the Afghan problem will help countries involved in other conflict situations," he told diplomats and reporters at a press conference in the Thai Foreign Ministry.

Soviet Foreign Minister Eduard Shevardnadze said in Bangkok in March 1987 that the Afghan peace process might offer a model for resolving the Cambodian conflict, observers noted.



"The withdrawal of Soviet troops from Afghanistan will help to find solutions in other regional conflicts, and we hope that it relates to the Kampuchean (Cambodian) situation," Mr. Rogachev said.

"You cannot find two regional conflict situations which are absolutely of the same character, same nature, but at the same time there are similarities in any of them."

The United States and the Soviet Union signed an accord on Thursday to end the Soviet intervention in Afghanistan and allow Moscow to start pulling out its 115,000 troops on May 15.

Soviet-backed Vietnam has occupied Cambodia since toppling the Chinese-backed Khmer Rouge government in 1979.

Hanoi's estimated 140,000 troops there are fighting a 50,000-strong guerrilla resistance armed by China but also supported diplomatically by non-communist Southeast Asia and the West.

China has cited the Afghanistan and Cambodian conflicts, plus the heavy Soviet troop presence on the Chinese border, as the three major obstacles to normalizing Sino-Soviet ties.

Mr. Rogachev, who heads the Soviet delegation in border talks with China, said progress was being made.

Vietnam had promised to withdraw its troops from Cambodia by 1990 and "perhaps the process will be speeded up by some other positive developments which we now cannot predict. Let us be patient and try to accelerate the process of political settlement," Mr. Rogachev added.

But at the same time he pointed out: "It is wrong to say that the Soviet Union can impose any demand on Hanoi. Vietnam is a sovereign country. No one can dictate his will to this government."

Former Thai Foreign Minister Thanat Khoman said after Mr. Rogachev made his remarks: "The Soviet Union being the elder brother and Vietnam the younger brother, the older brother can always find a way to twist his younger brother's arm."

Thai Prime Minister Prem Tinsulanon is scheduled to visit Moscow next month. And Mr. Rogachev said Cambodia was sure to be discussed during his trip.

He added that later this month he was to meet U.S. Assistant Secretary of State Gaston Sigur to discuss Asian-Pacific affairs ahead of the summit meeting between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan.

He said Cambodia would be on the summit agenda and "Mr. Sigur and myself will do our best in order to help them come to some agreement on this point."

Thai Foreign Ministry spokesman Sarot Chawanawirat said here Friday that there had been changes in Soviet foreign policy toward Cambodia since Mr. Gorbachev's landmark Vladivostok speech in 1986 about better East-West relations in Asia.

Moscow had shifted its position from non-interference to accepting that the Cambodian conflict should be resolved through peaceful negotiations and supporting Cambodian resistance leader Prince Norodom Sihanouk's talks with Phnom Penh Premier Hun Sen, Mr. Sarot said.

Mr. Rogachev, who arrived here Thursday on a four-day visit, met Thai Foreign Minister Sitthi Sawestsila Friday, briefing him on the Afghanistan peace accord signed Thursday in Geneva.

#### **Investigation Into Airline Hijacking Continues** *BK151308 Hong Kong AFP in English* *1257 GMT 15 Apr 88*

[Text] Bangkok, April 15 (AFP)—Airport authorities here are continuing the interrogation of 82 ground personnel in connection with the April 5 hijacking of a Kuwaiti Airways jumbo jet, an airport official said here Friday.

They are trying to find out whether pistols and hand grenades were smuggled onto the Boeing 747 at Bangkok airport before it was hijacked en route to Kuwait, Airports Authority of Thailand Deputy Managing Director Anek Udit said Thursday.

The hijackers, who are demanding the release of pro-Iranian terrorists jailed in Kuwait, have taken the plane to Algiers with 31 hostages after killing two and freeing the rest of the passengers.

Thai officials remain convinced the weapons were not smuggled aboard the airliner here despite statements from the International Air Transportation Association (IATA) in Montreal that they may have been put on board during catering and cleaning.

Mr. Anek said investigations suggested that the hijackers flew in from Kuwait, disembarked at Bangkok airport and boarded again, possibly using false passports.

He said he was convinced the weapons were already aboard the incoming plane.

Food caterers and cleaners were normally watched by airport security teams as well as Kuwaiti Airlines-hired security men, while cleaners were normally frisked by the Kuwaiti-hired guards, he added.

**Ministry Denies Stalling Lao Border Talks**  
*BK150055 Bangkok BANGKOK POST in English*  
15 Apr 88 p 2

[Text] The Foreign Ministry yesterday denied accusations by Laotian Ambassador to France Thongsai Phothisan that Thailand is stalling on border talks, and retorted by saying that the diplomat did not know the facts.

"We think that the Laotian official does not know the issues and therefore should not comment and spoil the atmosphere we are trying to create," Foreign Ministry spokesman Sarot Chawanawirat said.

He was responding to statements on Tuesday by Mr Thongsai, who said Laotian Premier [as published] Phoun Sipaseut had sent a letter to Bangkok last week seeking a third round of talks on the border issue.

Mr Thongsai said in Paris that so far Vientiane had not yet received a reply, and accused Thailand of trying to "avoid the problem" in the first two rounds of talks.

"Thailand is not yet ready to negotiate with us" and Bangkok is "drawing things out", the envoy said.

Mr Sarot said Thai-Lao relations are already "fragile" and the ambassador's statements do not help improve ties.

The statements also show that "the ambassador does not know the facts", Mr Sarot said.

He said the Laotian envoy's remark that Mr Phoun had sent a letter last week was wrong.

Mr Sarot said the Laotian reply to Thai proposals to set up a Joint Border Committee and a Thai-Lao Joint Cooperation Committee was made by Deputy Foreign Minister Kamphai Bouppha.

That reply was sent while Laotian military chief Gen Sisavat Keobounphan was visiting Bangkok, he said.

"We have had no response from Premier Phoun," Mr Sarot said.

"I can't see how the ambassador can make such statements," he said, adding that Thailand had proposed that the entire border issue be tackled, while Laos only wanted to resolve the Ban Romklao dispute.

Thailand has not tried to delay the talks, the spokesman said, adding that the ministry has tried to negotiate to resolve the issue for the benefit of both sides.

"Laos should adhere to the principles outlined by the agreement of both premiers," to resolve the issue on the basis of the 1907 Franco-Siamese Treaty and relevant maps, he said.

Mr Sarot said there has been no progress in the talks simply because Laos chooses to focus on a narrow interpretation of Clause II of the treaty.

The ambassador's statements show that Vientiane has "ulterior motives" in allowing such remarks to be made, Mr Sarot said.

He urged that the Thai people watch Laotian behaviour because it will illustrate Vientiane's sincerity in trying to solve the border dispute.

Mr Sarot predicted that Laos would embark on a propaganda campaign in the international arena over the Ban Romklao issue.

Laos, he added, does not want to resolve the border issue, but instead wants to tie it to other issues.

Meanwhile, Foreign Minister Sitthi Sawetsila yesterday said the Thai ambassador to Laos, Niran Phanuphong, would be called to Bangkok to brief the ministry on the latest developments in Vientiane.

"The problem rests with Laos," he said, adding that the issue could be solved if propaganda is avoided.

**Press Warned on Reports of Burmese Insurgents**  
*BK150045 Bangkok BANGKOK POST in English*  
15 Apr 88 p 3

[Text] The Police Department is seeking "cooperation" from the press to refrain from publishing reports about anti-Rangoon minority groups.

The department, in its capacity as printing officer, also asked editors of local dailies to sign affidavits acknowledging its request, made after a number of Thai reporters secretly travelled to Burma to report on minority group activities.

Such reports, the department said, could affect Thai-Burmese relations and violate the law.

**Vietnam**

**PRC Oceanographer Trip to Spratlys Criticized**  
*BK151202 Hanoi Domestic Service in Vietnamese*  
1100 GMT 15 Apr 88

["Text" of SRV Foreign Ministry's 15 April statement]

[Text] On 13 April 1988, the U.S. paper CHRISTIAN SCIENCE MONITOR carried an article by its Beijing-based correspondent Tyson entitled: "The Gunboat Foreign Policy in the South China Sea." The article says:



Chinese officials have revealed that China is planning to send another group of oceanographers to the Spratly Archipelago—known as Vietnam's Truong Sa Archipelago—on 18 April 1988. Their upcoming trip poses a danger of creating further tension between China and Vietnam.

Mr Yuan Hengyong, planning director at the Oceanographic Research Institute for the South China Sea in Guangdong held that the 50-day long oceanographic survey will cover a large sea area around the Spratlys—known as Vietnam's Truong Sa Archipelago—and the waters off Vietnam's coast.

This is a new attempt of the Chinese authorities to increase their forces and continue to use force to occupy more Vietnamese territories in the Truong Sa Archipelago. Extremely grave is the fact that the new dangerous attempt will be carried out not only in the waters surrounding the Truong Sa Archipelago but also off Vietnam's coast, thus trampling on Vietnam's national sovereignty and going against international law.

Thus, after using force to occupy a number of coral reefs belonging to Vietnam's Truong Sa Archipelago and refusing to hold talks with Vietnam to solve disputes, and illegally annexing Vietnam's Truong Sa and Hoang Sa [Paracel] Archipelago into China's Hainan Province, the Chinese authorities have once again defied the strong protests of Vietnam and of world public opinion and are attempting to further aggravate the crisis by expanding the conflict to Vietnam's coast, thus further worsening the situation in the Eastern Sea and the Southeast Asia region.

The Chinese authorities's new attempt has made world public opinion, especially in Southeast Asia, and their neighboring countries more profoundly worried about China's expansionism and hegemony and has caused these countries to become vigilant against China's imminent schemes against their own countries.

The SRV once again affirms its sovereignty over the Truong Sa Archipelago and resolutely demands that the Chinese authorities put an end to all their illegal acts taken under any labels against this archipelago and Vietnamese territorial waters.

The Vietnamese side persistently stands for peaceful negotiations to solve the disputes and demands that the Chinese side promptly respond to Vietnam's good-will proposals not to use force and to refrain from clashes to prevent the situation from worsening.

#### Assembly Commission Statement on Spratlys

[Quotation marks as received]

BK141615 Hanoi VNA in English 1528 GMT 1  
4 Apr 88

[Text] Hanoi VNA April 14—The Commission for External Relations of the National Assembly of the Socialist Republic of Vietnam today issued the following

statement on the April 13, 1988, resolution of the Seventh National People's Congress of the People's Republic of China to establish Hainan Province with the inclusion of the Hoang Sa [Paracel] and Truong Sa [Spratly] Archipelagoes of Vietnam (which China calls Xisha and Nansha respectively):

"According to international conventions the sovereignty of a country over a territory must be considered in three aspects: this sovereignty must be exercised really, continually and by peaceful means.

Vietnam has been really exercising its sovereignty over these two archipelagoes under the Vietnamese courts during the 17th and 18th centuries and the first half of the 19th century, during the French domination from the later half of the 19th century to the first half of the 20th century, under the Saigon administration as provided for by the Geneva Agreement on Indochina in 1954, and under the Government of the Socialist Republic of Vietnam after national reunification in 1976. So, Vietnam has been peacefully exercising its sovereignty over these two archipelagoes since the 17th century without using force to occupy them from any other country.

Before and since 17th century, China had never been exercising sovereignty really, continually and peacefully over these two archipelagoes.

At the Cairo conference in 1943, the heads of the United States, the United Kingdom and China decided to return only Manchuria, Formosa and Pescadores to China without mentioning the Hoang Sa and Truong Sa Archipelagoes. The San Francisco international conference on the signing of an armistice with Japan, at which 51 countries were represented recognized China's sovereignty only over Manchuria, Formosa and Pescadores, and rejected a proposal for handing the Hoang Sa and Truong Sa Archipelagoes over to China.

In 1956, taking advantage of the French transfer of the sovereignty over the Hoang Sa and Truong Sa Archipelagoes to the Saigon administration, China sent troops to occupy islands in the eastern part of the Hoang Sa Archipelago. In 1974, capitalizing on the fact that the Saigon army was coping with the attacks by the South Vietnam liberation armed forces, Chinese troops attacked and occupied the whole Hoang Sa Archipelago. In January 1988, China sent troops to occupy a number of coral reefs in the Truong Sa Archipelago under Vietnam's control.

Considering all the three aspects of international conventions, it is clear that China has no right whatsoever to lay claim to the Hoang Sa and Truong Sa Archipelagoes.

That the Seventh National People's Congress of China adopted a resolution on the merging of the Hoang Sa and Truong Sa Archipelagoes into Hainan province is to continue China's policy of expansionism toward neighbouring countries, particularly those in the Eastern Sea area, thus paving the way for its expansion to Southeast Asia.

Together with its acts of armed invasion, the adoption of this resolution by the Seventh National People's Congress of China constitutes a violation of Vietnam's territorial sovereignty and runs counter to international law.

With their aspiration to preserve the time-honoured friendship between the two peoples, the Vietnamese Government and people, while being determined to defend their sovereignty and territorial integrity, have more than once proposed that the two sides hold talks to solve their differences over the Truong Sa Archipelago as well as their disputes over the border and the Hoang Sa Archipelago. Pending a negotiated settlement of the problem, Vietnam proposes that both sides should refrain from using force to solve the disputes so as not to render the situation tenser.

The Commission for External Relations of the National Assembly of the Socialist Republic of Vietnam firmly rejects the erroneous act of the Chinese authorities and calls on the Chinese side to respond to Vietnam's goodwill proposal and to respect international law.

**Anniversary of Bach Dang Naval Victory Noted**  
*BK121301 Hanoi Domestic Service in Vietnamese*  
1100 GMT 9 Apr 88

[QUAN DOI NHAN DAN 9 April article by Le Dinh Si:  
"The Historic Bach Dang Victory 700 Years Ago"]

[Text] From 1258 to 1285, northern feudalists waged three wars to invade the Dai Viet [Great Viet] and were devastated all three times. The Bach Dang victory on 9 April 1288, exactly 700 years ago, was the largest fierce battle and a decisive blow that smashed the enemy's plot of aggression. Unlike the two preceding wars, in this third war, the Chinese Yuan used a new strategic force—the naval force. The first time, the enemy forces had used the strategy of the cavalry attack. They thought that like on other battlefields in Asia and Europe, with a lightning surprise attack by 30,000 well-seasoned soldiers, they would be able to smash the nerve center of their opponent, forcing the Tran Dynasty to surrender. However, the victory in the seventh year of the Tran King's reign in 1258 in Dong Bo Dau put an end to the myth about the Tartar cavalry at that time.

In the second invasion, in 1285, the Yuan dynasty shifted from its strategy of using only the cavalry attack and, instead, tried the strategy of overwhelming the opposing forces by weight of numbers. It plotted the invasion of Dai Viet with half a million troops or more from combined infantry and cavalry forces. However, faced with a war involving the whole people, the Yuan forces, which had originally taken the initiative in their offensive, quickly became passive in their defense and were forced to accept a bitter defeat in the face of a counteroffensive by our troops and people. Tay Ket, Ham Tu, Chuong Duong, and Van Kiep were the tombs of the enemy soldiers.

In the third invasion, the Yuan dynasty again changed its strategy and used a new strategic force: the naval force. Kublai Khan, the Chinese Commander, ordered the temporary suspension of the invasion of Japan in order to concentrate on the Giao Chi [ancient name Chinese name for Vietnam] affairs. The (Oma Zhi) fleet of hundreds of large boats, which had been readied to attack the Japanese islands, were ordered to change direction for Dai Viet. Earlier, they had been heavily defeated in the Hong and Luong Rivers and on the river sandbars such as Dong Bo Dau, Ham Tu, and Chuong Duong. Attacking our country this time, the enemy had prepared their boats very carefully and conducted drills in rivers. No sooner had he entered Dai Viet than the Chinese General (Oma Zhi) boastfully threatened the Tran King, saying: This time, if thou fleest to heaven, I will follow thee; if thou fleest to the mountain, I will climb the mountain in your steps; if thou hideth thyself underground, I will pursue thee; and if thou diveth into the water, I also will track thee down.

Thus, with a view to defeating our naval and infantry forces, the Yuan Dynasty had applied a new offensive tactic using all the three strategic forces—cavalry, infantry, and navy—and had prepared their weapons and food supply adequately. However, all the enemy's calculations could not override Tran Quoc Tuan's estimate. Examining the entire development of the war, from the enemy's intrusion into the northeastern sea border of our country until the Bach Dang victory, we can see that Tran Quoc Tuan achieved an active and consistent military strategy that was beyond all estimates of the Chinese General Togan.

Tens of thousands of Mongol troops, both sailors and foot soldiers, swarmed like burning fire and rushing wind in a bid to draw our main force into a face-to-face battle. However, in launching major military attacks, the enemy only found itself striking at abandoned places, thus unable to bring its well-practiced strategies and tactics into play. Togan, therefore, was driven into strategic passivity right from the start, with the supply routes of his army cut and his troops decimated and weak in morale. Enemy generals and soldiers were filled with increasing panic with each passing day. Togan was forced to call a retreat.

Meanwhile, our army carried out a positive strategy for defensive combat. The Tran Dynasty's main-force units, elusive combat targets which Togan failed to seek out for 2 months and more, remained intact and strong. They were secretly deployed in strategic areas, ready to intercept the enemy. Tran Quoc Tuan correctly judged that Togan would have to order a retreat; and he was determined to conduct strategic annihilating battles against the retreating enemy. The decisive battle on the Bach Dang River was the climax that ended this war and reflected the military genius of Tran Quoc Tuan.

In addition to unerringly foreseeing the development of the war and correctly anticipating the enemy's routes of retreat, Tran Quoc Tuan also successfully resolved many



important, very complicated problems regarding military art such as selecting the targets and areas of combat, using and deploying forces, selecting river sandbars for the laying of wooden stakes, provoking the enemy fleet to lure it step by step into the prepared battleground at the right time, and taking advantage of the tides (?to order a counterattack). The battle took place in accordance with the prearranged combat operation plan, and a decisive victory was won. In a single day, on 9 April, the entire enemy fleet consisting of 600 large warships and 60,000 men—among them many outstanding generals of noble lineage who were close to the Yuan emperor, and generals notorious for their craftiness and cruelty such as (Oma Zhi), (Fen Qing), (Ting Liqi), and (Liu Wei)—was smashed; and its members were either killed or captured.

The art of using the short to subdue the long was the singular and spectacular feature of Tran Quoc Tuan's thinking and military art. Here, he made the fullest use of the factors involving the people's support and favorable terrain to fight the expeditionary enemy with local troops, evading the powerful spearheads of the enemy's army and striking precisely at its soft spots at the most opportune moment. Glorious was the armed exploit of 1288, the Year of the Rat. This was a strategic annihilating engagement that scored the biggest and most complete victory in our nation's history of naval battles and the greatest decisive battle that victoriously ended the third war of resistance against the Yuan aggressors. This glorious armed exploit contributed to shattering the Yuan Dynasty's ambition to take over Annam and checking its expeditionary army. Following this defeat, the Yuan Dynasty dropped its plan to invade Japan, and its last efforts to invade the Java Archipelago of Indonesia and the Kingdom of Champa were unsuccessful. Perhaps this was because a large part of its navy had been destroyed during the 1288 naval battle on the Bach Dang River.

Bach Dang was stark terror for Mongol generals and soldiers alike, and it was an agony for Kublai Khan.

**Commentary on U.S. Weapons Stored in Thailand**  
*BK151056 Hanoi International Service in Thai*  
1130 GMT 14 Apr 88

["Commentary on U.S. war reserve stockpile in Thailand"]

[Text] On 1 April in Bangkok, the United States and Thailand signed an agreement to set up a U.S. war reserve stockpile in Thailand late this year. Following is a commentary by our radio commentator:

Another step has been taken concerning the U.S. program to set up a war reserve stockpile in Thailand which started about 2 years ago. In April 1986, former U.S. Defense Secretary Weinberger and Thai Prime Minister Prem Tinsulanon held discussions in Bangkok and reached basic agreement on the program. Six months later, Admiral Reginald Hays, commander of the U.S. Pacific Force,

made public the U.S.-Thai agreement to set up the war reserve stockpile. On 9 January 1987 in Bangkok, the United States and Thailand signed an agreement to set up a large-scale U.S. weapons reserve stockpile in Thailand. The agreement, which was signed on 1 April, deals with the schedule for the setting up of a war stockpile. Through it, Washington hopes to stage a return to Southeast Asia in order to carry out its strategy in Asia and the Pacific. According to THE WASHINGTON POST, in a statement made in May 1986 President Reagan confirmed that Southeast Asia has always been a region of great significance for the American people. The region is of great strategic importance for the United States in Asia and the Pacific. According to SANKEI SHIMBUN of Japan, the United States has a plan to permanently turn Thailand into the Pentagon's stronghold in this part of the world. This is Washington's design.

Anyway, why have Thai power holders allowed the United States to establish a war reserve stockpile in the country? Will the program benefit the Thai people? Some say that those people have betrayed the wishes of the Thai who want peace. The BBC noted in a commentary earlier in the year that the Thai power holders' agreement to let the United States stockpile its weapons in Thailand is disadvantageous to Thailand in the course of current changes in the region. Thailand's paper SIAM RAT said that the ASEAN bloc, especially Thailand itself, should not put all its trust in the United States. ASEAN should try to urgently resolve the problem in Indochina. The paper said bluntly that the Thai Government should review its relations with Vietnam and other Indochinese countries, and adjust its policy making to be more flexible in protecting the national interests.

Meanwhile, a political figure of an ASEAN country who recently visited Vietnam, Jose Yap, a member of the House of Representatives of the Philippines, in his capacity as chairman of the House Committee on Defense and Security Affairs, said in Hanoi late last month that there is no other option but peace, friendship, and cooperation. He emphasized that, without those elements, there will be only war and human destruction.

**American Surgeons Visit, Agree on Cooperation**  
*BK150824 Hanoi VNA in English 0709 GMT*  
15 Apr 88

[Text] Hanoi VNA April 15—In furtherance of a cooperation program between the U.S. Committee for Scientific and Technical Cooperation With Vietnam and the Hanoi Maxillo-Facial Institute, two American surgeons paid a working visit to Vietnam from March 22 to April 1, 1988. They are Prof. Dr. John D. Constable of the Boston University, and Prof. Dr. Michael H. Moises of the University of New Orleans, both specialists in maxillo-facial and general plastic and reconstructive surgery.

They had working sessions with Prof. Nguyen Van Cat, director of the Hanoi Maxillo-Facial Institute, and performed jointly with M.D. Ph.D. Tran Van Truong, head of the Maxillo-Facial Surgery Department of the institute, on a number of plastic operations of the lip, nose, palate, neck and face. The American doctors and their Vietnamese colleagues also compared notes on the treatment and plastic surgery of cleft lip, nose and palate.

The American surgeons and their Vietnamese hosts have agreed on a three-year program of cooperation in the research on and treatment of cleft lip and cleft palate. They also agreed on the exchange of documents and results of their research, on personnel training and periodical meetings to take stock of the implementation of the program.

The American surgeons made demonstration operations at the Osteotomy Department of the Vietnam-G.D.R. Hospital in conjunction with Prof. Dang Chim Chau, head of the department, and other Vietnamese surgeons on a number of micro-surgery, surgery of the myocutaneous flap and plastic surgery of burn scars.

They also visited the Hai Ba Trung Hospital in Hanoi where they exchanged with their Vietnamese colleagues at the hospital and in the Hanoi association of plastic surgeons experiences in plastic surgery, and jointly conducted with Prof. Nguyen Huy Phan some facial plastic operations.

At a meeting with officials of the Vietnamese Ministry of Public Health at the end of their visit, the American doctors expressed their satisfaction about its result and their hope for an early come-back to continue and expand their scientific and technical cooperation with Vietnam.

**New Chairman for Vietnam-Mongolia Association**  
*BK150842 Hanoi VNA in English 0714 GMT*  
15 Apr 88

[Text] Hanoi VNA April 15—The Vietnam-Mongolia Friendship Association held an enlarged session here Thursday [14 April] to review its work in 1987 and outline its task for 1988.

Present at the session among others were Hoang Minh Thang, member of the Communist Party of Vietnam Central Committee and minister of home trade; and Mrs. Nguyen Thi Binh, deputy head of the Party Central Committee's International Department.

The participants unanimously adopted a plan of action for the association, which is to continue promoting the friendship and allround cooperation between the two nations, introduce more widely the Mongolian people's achievements in every field to the Vietnamese people, especially the revolutionary changes brought about since

the 19th Congress of the Mongolian People's Revolutionary Party, and consolidate the association's organization, particularly its chapters, in order to meet the need for further expansion of the friendly ties between Vietnam and Mongolia.

The association's Central Committee accepted Nguyen Quang Xa's request to resign as chairman of the association for health reason and appointed Hoang Minh Thang new chairman.

On the same day, Mongolian Ambassador to Vietnam Gelegiyn Adiyaa met here the delegates to the session.

**Cuban Friendship Delegation Leaves**  
*BK150234 Hanoi VNA in English 1525 GMT*  
14 Apr 88

[Text] Hanoi VNA April 14—A delegation of the Cuban Institute of Friendship With the Peoples and the Cuban Committee for Solidarity With Vietnam led by Vice-President Eva Seodna and the music band Osvaldo Rodriguez today concluded a three-week visit to Vietnam.

The Cuban guests called on and gave performances at a number of economic and cultural establishments, and military units in Hanoi, Ho Chi Minh City, and the provinces of Ha Son Binh, Hoang Lien Son and Ben Tre.

They were warmly received by Nguyen Thi Dimh, member of the Communist Party of Vietnam Central Committee and president of the Vietnam-Cuba Friendship Association. The two sides exchanged views on their activities and worked out a plan of cooperation between the two organizations to strengthen and promote the fraternal friendship, military solidarity and all-sided cooperation between the two peoples.

**Lao, Cambodian Envoys Host New Year Reception**  
*BK150224 Hanoi VNA in English 1542 GMT*  
14 Apr 88

[Text] Hanoi VNA April 14—Lao and Kampuchean ambassadors to Vietnam Bouasi Chaleunsouk and Tep Hen gave a reception here this evening in honour of their countries' traditional New Year festivals, Bounpimay and Chaul Chhnam Thmey, respectively.

Prominent among their guests were Nguyen Thanh Binh, Political Bureau member of the Communist Party of Vietnam Central Committee, Hoang Truong Minh, president of the Vietnam-Laos Friendship Association; and Vu Mao, president of the Vietnam-Kampuchea Friendship Association.

Speaking at the function, the Lao ambassador reaffirmed the strength of the Kampuchea-Vietnam-Laos solidarity fostered by the late President Ho Chi Minh. He voiced Lao and Kampuchean Governments' full support for the Vietnamese Government's proposal for talks with China to settle their disputes over the Truong Sa [Spratly]



Archipelago. He expressed firm belief that the Vietnamese people will win in defending national independence, sovereignty and territorial integrity.

For his part, Nguyen Thanh Binh affirmed the Vietnamese Government's strong support for the Lao Government's stance in the settlement of the Lao-Thai border dispute, and for the national reconciliation policy of the Kampuchean Government aimed at solving the Kampuchean issue without foreign interference.

**DPRK Envoy Shows Film on Kim Il-sung Birthday**  
*BK150208 Hanoi VNA in English 1539 GMT*  
14 Apr 88

[Text] Hanoi VNA April 14—Ambassador of the Democratic People's Republic of Korea to Vietnam Kim Chong-song gave a film show here this evening on the 76th birthday of Kim Il-sung general secretary of the Workers' Party of Korea Central Committee and president of the republic.

It was attended by, among others, Nguyen Thi Binh, deputy head of the International Department of the Communist Party of Vietnam Central Committee, and Tran Lam, president of the Vietnam-DRPK Friendship Association.

**Indonesian, Malaysian Ambassadors Depart**  
*BK150148 Hanoi VNA in English 1535 GMT*  
14 Apr 88

[Text] Hanoi VNA April 14—Johannes Petrus Louhanapessy and Yahya Bin Baba, respectively Indonesian and Malaysian ambassadors, left here Wednesday concluding their terms of office in Vietnam.

**Vo Chi Cong on Industry Outside State-Run Sector**  
*BK151311 Hanoi International Service in English*  
1000 GMT 15 Apr 88

[Text] State Council President Vo Chi Cong said Vietnam will develop industry outside the state-run sector to create more jobs. President Vo Chi Cong was speaking at the conference to discuss a draft on the renovation of the management of industry outside the state-run sector in Ho Chi Minh City.

President Vo Chi Cong said that the Vietnamese Government will create favorable conditions for all enterprises outside the state-run sector to exist within the law and develop food production along the socialist orbit.

**State Enterprise Regulations Promulgated**  
*BK091101 Hanoi NHAN DAN in Vietnamese*  
31 Mar 88 pp 1, 4

[State-Owned Industrial Enterprise Regulations Promulgated by the Council of Ministers Decree No 50-HDBT on 22 March 1988]

[Text] CHAPTER I

## Position, Operating Principles, and Tasks of Enterprises

Article 1. State industrial enterprises (independent enterprises and joint enterprises, which are generally referred to below as enterprises) are basic economic units, the base of the socialist national economy, and units producing planned goods to meet the ever-increasing demands of society. They have the juridical status of a legal entity and an independent system of economic accounting.

Enterprises are the places where collectivized workers exercise their mastery over the management of enterprises, implement and control the implementation of all the socioeconomic lines and policies of the party and state, and where social life and activities are organized. They are the schools of socialist management where new socialist men are forged.

Article 2. Enterprises operate according to the following main principles:

1. They operate under the leadership of the Communist Party of Vietnam and the unified management of the Socialist Republic of Vietnam, and they implement the system of autonomy in production and business as specified by law.
2. Enterprises are administered according to the on-commander system on the strength of implementing the collective mastery of the laboring people.
3. Enterprises operate in accordance with socialist cost-accounting procedures and correctly settle the relations of interests among society, collectives, and workers—in which the workers' interests constitute the direct impetus.

Those enterprises that operate unsuccessfully and that have been once consolidated but still have insufficient conditions for being maintained as state enterprises, must be disbanded or shifted to another form of ownership.

Article 3. Enterprises are charged with the following fundamental tasks:

1. Formulate and implement plans, constantly increase their effectiveness and expand production and business, provide ever more goods and services to society, cover their own expenses, build up their own assets, and fulfill their obligations to the State Budget and local governments on the basis of fully using production capacity and applying technological progress.
2. Carry out distribution according to labor and social justice, organize social life and activities well, constantly raise the cultural and professional knowledge level of workers and civil servants.

3. Expand economic integration with the primary production and business installations of various economic components, intensify economic cooperation with foreign countries, bring into play the leading role of state-run economy, and make positive contributions to the organization of social production and the socialist transformation.

4. Protect themselves, production, and the environment; maintain social security and order; fulfill national defense obligations; abide by the law; perform cost-accounting; and make true and accurate reports according to the state-prescribed system.

In order to accomplish the above tasks, enterprises can enjoy the rights stipulated in these regulations.

## CHAPTER II

### Enterprises' Assets

Article 4. Enterprises' assets belong to the entire people and are entrusted by the state to collectivized workers headed by enterprise directors for direct managerial control and are used to develop production and business. Enterprises are responsible for maintaining and constantly supplementing and renovating their assets depending on the production requirements by using their self-procured funds, credits, and other funds mobilized from various sources.

Enterprises' assets must be used according to the planned objectives and tasks and be aimed at constantly expanding their business in order to achieve the highest socioeconomic results.

All the assets of enterprises must be accounted for adequately and accurately in the overall list of their assets. Enterprise directors are the main ones who are held responsible together with collectivized workers for rationally using and protecting state property.

Article 5. State enterprises are authorized to concede, sell, hire, or lease assets that have not yet been used or have not fully been used. They must inform the higher echelons of any sale of fixed assets that were supplied by state budget. If no suggestion is received from the higher echelons after a prescribed period of time, they can go ahead to sell these assets. Illegally buying or selling state enterprises' assets is strictly prohibited.

Enterprises have the right to improve the structure of fixed assets in accordance with the needs to renovate techniques, expand production, and improve the quality of products. Permission to modify the structure of fixed assets, which leads to changes in project planning, must be requested from immediate higher echelons or responsible agencies at higher levels.

## CHAPTER III

### Organization of Production and Management of State Enterprises.

#### I. Organization of production. [subhead]

Article 6. Based on the orientations and norms of the State Plan, on the projects and plans of the sectors and localities concerned, and on the demands and project planning of the market, enterprises must take the initiative in determining plans for their products and commodities and choosing technical equipment and production organizational structure on the basis of applying advanced science and technology in a way that meets the needs of the specialization and cooperativization of production and general business.

Article 7. Enterprises have the right to take the initiative in organizing (establishing, and dissolving) various main and secondary production components and support and service components, as well as other components responsible for the management and organization of social life, to ensure that their production and business plans are fulfilled with the best results.

#### II. The right to collective mastery of laborers in enterprises. [Subhead]

Article 8. The right to collective mastery of laborers is exercised mainly through the activities of workers and civil servants' congresses and of the councils of enterprises and workers' inspection boards.

All workers and civil servants must fulfill their duties as masters of their enterprises, scrupulously observe labor discipline, and satisfactorily fulfill their assignments. Meanwhile, they are entitled to enjoy interests according to their labor productivity and quality.

Article 9. Congresses of enterprise workers and civil servants (or congresses of delegates of workers and civil servants which are called hereafter as congresses of workers and civil servants) have the prime right to decide matters concerning guidelines for the development of state enterprises' production and business plans on the principle of ensuring the fulfillment of obligations to the state and contracts that have been signed, the adoption of policies and measures to protect property, the improvement of production and business ability and efficiency of production, the enforcement of enterprise regulations and principles of distribution of income of laborers in accordance with state policies, the improvement of work conditions and the livelihood and social welfare of workers and civil servants, the elections of the councils of enterprises and people's inspection boards, and the execution of decisions on other important issues concerning the right to collective mastery of laborers in enterprises.

The tasks of congresses of workers and civil servants at various workshops and production units involve mainly discussing measures to increase the output and quality of



products and practice thrift, organizing production in a scientific manner, enforcing labor regulations, and ensuring the distribution of income according to work results.

Article 10. Councils of enterprises, which are permanent organs of congresses of workers and civil servants, are composed of trust-worthy cadres and workers with ability to direct and manage enterprises. Directors of enterprises are obviously members of councils of enterprises. Councils of Enterprises are duty-bound to supervise the implementation of the resolutions of congresses of workers and civil servants; propose necessary policies and measures for the implementation of these resolutions; coordinate with trade unions in directing the operation of the people's inspection boards; contribute views to directors on tasks related to the training, assignment, use, commendation, and discipline of managerial cadres in enterprises; settle unforeseen issues under the jurisdiction of congresses of workers and civil servants during their terms of office; and decide on the convening of congresses of workers and civil servants when necessary.

Article 11. The workers' inspection committee exercises the collectivized workers' right to inspect the various aspects of production, business and distribution; the implementation of enterprises' intramural rules; the observance of policies, systems, and laws of the state; and the struggle against negativism and other social evils in enterprises. The workers' inspection committee operates as required by the Council of Enterprises and the trade unions' executive committees or as decided by a majority of the committee members.

### III. Enterprise Directors [subhead]

Article 12. Enterprise directors represent both the state and workers and civil servants in the management of enterprises according to the one-commander system; have the right to decide the operational control of enterprises' activities in accordance with the plans, policies, and laws of the state, and the workers and civil servants' congress resolution, and are responsible to the state and collectivized workers for the results of production and business of enterprises.

Article 13. Higher echelons appoint directors after consulting with party committees and asking for confidence votes of workers and civil servants in enterprises. Directors are plenipotentiary representatives of enterprises in all production and business operations. In case of their absence, they may delegate their authority to first deputy directors or deputy directors (if enterprises have only one deputy director).

Article 14. Directors have the right to decide the organization of management apparatus in enterprises and ensure streamlining for effectiveness.

They have one or a certain number of deputy directors or chief accountants as assistants.

### IV. Enterprise Cadre Task [subhead]

Article 15. On the strength of determining the requirements and tasks of enterprises and the qualifications of management cadres depending on titles and ranks, directors will formulate plans, select, place, and employ cadres in enterprises.

Deputy directors and chief accountants are recommended by directors for appointment by higher echelons. Other management cadres in enterprises are appointed by directors.

Article 16. Directors organize tests to recruit specialists and professionals and systematically implement the periodic evaluation of cadres in enterprises. Before recommending cadres to higher echelons for appointment or before appointing and discharging cadres by themselves, directors should secure the views of party committees and consult with workers and civil servants for votes of confidence. Workers and civil servants cast their votes of confidence in cadres according to the principle for democracy.

### V. Relations of leadership and management within enterprises. [subhead]

Article 17. In their performance, directors and the council of enterprises must respect the leadership of party organizations in enterprises in accordance with the party regulations, show respect and create favorable conditions for trade unions, the Ho Chi Minh Communist Youth Unions, as well as other mass organizations at grass-roots level; and operate in line with the trade union laws and regulations which are legally recognized for those organizations.

Party committees will lead enterprises while the executive committees of trade unions and other mass organizations participate in the management of enterprises but will not make any direct decision concerning the work within the jurisdiction of the congress of workers and civil servants, the Council of Enterprises, and directors.

Article 18. Directors must periodically report the activities of enterprises to the party committees and the Council of Enterprises. Party committees and the executive committees of mass organizations have the right to petition to directors those measures necessary to production and business operations. If there are differing views, directors will decide and will be responsible for their own decisions to the congress of workers and civil servants and to higher echelons.

### VI. Relations between enterprises and higher echelons, general functional agencies of the state, and local administration [subhead]

Article 19. Enterprises are placed under the leadership of a next higher echelon or a management agency of higher level.

The enterprises' immediate higher echelons are general directors of joint enterprises (if any); The relationship between enterprises and next higher echelons is stipulated in the regulations on unions of enterprises.

The responsible higher echelon organ is a ministry (or general department) or a people's committee of a province, municipality, or special zone directly subordinate to the central government.

The responsible higher echelon organ, acting on behalf of the state, shall issue a decision to establish or dissolve an enterprise; entrust it with guiding plans, legally binding plans, or state orders for goods; inspect and control the discharge of its obligations to the state; and resolve the enterprise's requests concerning the state's responsibility toward it. In provinces and major municipalities, the provincial and municipal people's committees may authorize offices in charge of economic-technical branches or people's committees of precincts (districts) to assume the functions of responsible higher echelon organs toward enterprises, except for the rights to decide the establishment or dissolution of enterprises and to appoint (or dismiss) cadres.

Article 20. Other state management organs are responsible for providing enterprises with services and creating favorable conditions for them to carry out production and business activities; guiding and controlling their operation; and dealing with various problems pertaining to their functions as established by law.

Article 21. Enterprises are placed under the leadership of the local administration as concerns the maintenance of political security, order, and safety; social welfare; population and labor management; and control of the infrastructure; and they are subjected to supervision by the local administration as concerns the implementation of state policies and law.

Local administrative bodies at all levels are responsible for creating all favorable conditions to ensure the efficiency of the enterprises' economic and social activities.

Article 22. Higher echelon management organs, other state management organs, and local administrative bodies are held responsible before the state and the enterprises for erroneous decisions that are detrimental to production and business activities and interests of enterprise workers and employees.

In case the aforesaid organs issue decisions at variance with their authority or in violation of state regulations, enterprises have the right to file a complaint with competent state organs at higher levels.

#### **Chapter IV. Production, Business Activities of Enterprises [subhead]**

##### **I. Planning [subhead]**

Article 23. Enterprises take the initiative in formulating and implementing orientations for long-term development and 5-year and annual plans in accordance with the orientations and targets of the State Plan and on the basis of market demands.

Enterprises have the right to request that higher level organs provide them in a timely manner with the bases and information necessary for the formulation of their plans.

Article 24. All production, business, and social activities of an enterprise must be reflected in its unified production-technical-financial plan.

Plans of an enterprise shall be decided upon at congresses of workers and employees on the basis of fulfilling its obligations to the state and the contracts already signed.

Article 25. Enterprises are required to report their overall draft plans to the organ having the authority to assign plans. This organ shall only approve and assign enterprises with legally binding norms and state orders for goods for the fulfillment of which the necessary material conditions are provided.

Enterprises have the responsibility to fulfill legally binding plans or orders for goods that are assigned on the basis of the material conditions provided by the state.

Article 26. The state encourages enterprises to engage in comprehensive business activities and to expand production and distribution on the basis of self-supply and in accordance with market demands.

For goods newly brought into production, the enterprise must register them with the organ in charge of managing economic-technical branches and the competent product quality control organ.

Article 27. During the period of the plan, the enterprise director shall periodically organize the review of plan implementation, publicly make a report to enterprise workers and employees, and file a report with the higher echelon management organ.

If, for objective reasons, it is necessary to lower the plan targets already adopted at a congress of workers and employees, the enterprise director shall propose the study of the matter to the Council of Enterprises and make the necessary adjustments. Adjustments to legally binding plans or state orders for goods can only be made with the permission of the organ assigning the plans. This organ is responsible for promptly readjusting the plans or orders for goods assigned to the enterprise on the basis of the supplies provided by the state.



Article 28. At the end of the planning year, the enterprise director is responsible for organizing the review of the plan implementation and make a report to the congress of workers and employees and to the organ assigning the plan.

## II. Science-Technology [subhead]

Article 29. Enterprises shall take the initiative in formulating plans for the study of scientific-technological advances so as to promptly put them into application. The right to industrial ownership of enterprises is guaranteed by the state.

Article 30. On the basis of economic-technical criteria and norms established by the state, enterprises shall set forth and apply specific criteria, norms, and processes; and scrupulously observe technical discipline and the systems for equipment operation, maintenance, and service promulgated by the competent organs.

Enterprises are required to conform to the system for the registration of product trademarks and quality as regulated by the state. Enterprises must consolidate the organization of product quality control (PQC) so that the products turned out will meet the quality standard specified by the state or registered by the enterprises themselves. Upon leaving factory, products must be given a trademark and pass product quality control (PQC), with the trademark and quality grade (if any) clearly shown; and nonexpendable products must be accompanied by a guarantee and operating instructions.

Article 31. Enterprises are authorized to initiate the expansion of all forms of alliance with research installations and scientific collectives and individual scientists both in country and abroad in order to accelerate research and apply scientific and technical progresses to production, business, and management.

Enterprises may organize scientific and technical research, application, and service components and various forms of mass participation in the movement for initiatives and inventions.

Enterprises must organize well the task of scientific and technical information and establish the system for technological secrecy preservation.

Article 32. Enterprises may independently determine the sources of capital for carrying out the scientific and technical progress programs and may put aside part of the profits or monetary savings from the application of technical progress for a period from one to three years beginning the day when the projects bear effect in order to pay the persons, collectives, and agencies which have transferred the technical progresses and to deposit into the production development fund. The amounts of payment are computed proportionally to the results of technical application without any absolute limits.

## III. Supply of materials and consumption of products [subhead]

Article 33. The organ assigning legally binding plans or orders for goods is responsible for joining the organizations concerned in determining the possibility of meeting the specific demands for supplies, transportation, and product consumption before assigning production tasks to enterprises; and in ensuring timely and adequate supply of standardized main materials and other necessary material conditions as required by those tasks.

The supply, transportation, and product consumption organizations designated are responsible for signing and implementing sales, purchase, transportation, and consumption contracts with enterprises; and ensuring that the enterprises shall receive the needed supplies and deliver their products in accordance with the contracts already signed.

Article 34. Beside the supplies provided by the state, enterprises have the right to establish broad contact for trading purposes with supply organizations and to effect integration with other economic units for the purpose of obtaining additional sources of supplies to make full use of their equipment capacity, expand production, and meet the market demands.

Enterprises are responsible for maintaining and using supplies and equipment for the right purpose, in accordance with the economic-technical norms, and in an economical and highly effective manner.

Enterprises shall, together with the organ assigning legally binding plans or orders for goods, prepare an inventory of supplies.

Article 35. Enterprises are held responsible to the consumer for the quality of their products.

For products turned out under legally binding plans or state orders for goods, enterprises are required to deliver their products to consumption organizations in accordance with the specifications concerning types, quantity, and quality of products and time of delivery as spelled out in the contracts already signed. If the parties concerned fail to reach an agreement while the signing of contracts with the designated consumption organizations is being discussed or if the contracts already signed are violated, the enterprise must report the matter to the organ assigning plans for settlement.

Article 36. Regarding products turned out in excess or outside of legally binding plans or state orders for goods, enterprises are allowed to sign contracts for their distribution with supply business, trade, and state-run organizations and other business establishments. Enterprises are permitted to open shops to introduce new products,

provide services, sell spare parts, or distribute products according to their own plans; but they must scrupulously abide by state regulations on goods circulation and services.

#### IV. Labor, Wages, and Social Service [subhead]

Article 37. Directors of enterprises have the right to recruit personnel according to production requirements and state labor policy. If the demand for labor cannot be met locally, the enterprises are allowed to recruit personnel from other localities. The local administration is dutybound to coordinate with the enterprises in seeking quick solutions to problems involving workers' benefits in compliance with state policies and regulations.

Directors of enterprises must take the initiative in making appropriate work arrangements so as to guarantee employment for workers and civil servants. Ample efforts must be made to hire personnel through the labor contract system instead of the government service recruitment system.

Article 38. Directors of enterprises are dutybound to establish directives and instructions to help explain state regulations concerning labor discipline, labor protection, work safety, and sanitation. They must keep enterprise workers well informed of those directives and instructions and create conditions for everyone to strictly comply with them. Directors are dutybound to halt production if there is no guarantee of work safety. Workers have the right to refuse to do those jobs which are unsafe, because they may endanger their lives.

Directors have the right to commend workers with good achievements and to take disciplinary action, which may include termination, against those who fail to abide by the regulations of the enterprises. They may release from work or terminate contracts with those who fail to meet the production requirements as defined in the enterprises' internal regulations or as outlined in the work contracts. Workers may request a work transfer or resign if they have legitimate reasons. Advance notice must be given for any layoffs, termination of work contracts, or requests to resign by the parties concerned with a predetermined time limit.

Those who lack a sense of responsibility or violate labor discipline, resulting in losses to state property or to the lives of their fellow workers, are subjected to material compensations or to punishment by law.

Article 39. The enterprises must scrupulously comply with all work standards and norms set by higher echelons and must establish, perfect, and implement various work standards and norms set by the enterprises themselves.

Based on state-established original titles and standards, the enterprises will establish specific titles and standards for various technical grades to suit the particular situations of the enterprises and make public these things for

implementation by all personnel. Grade promotions and step increases for workers and civil servants within the framework of dividing duties according to production requirements must be based on examinations and work evaluations of individual workers.

Enterprises must take the initiative in planning and organizing occupational training and refresher training for workers and civil servants.

Article 40. Based on the state-established wage and allowance systems and work norms, the enterprises will decide on wage scales. Wage funds must be based on wage scales and the amount of products turned out (or services provided).

Enterprises have the right to choose various forms of remuneration and to widely apply the system of contractual wages and piecework wages and other forms of awards in compliance with the principle governing income distribution and work performance, so as to constantly help increase labor productivity and ensure a proper balance between the average wage increase and the increase in the labor productivity of production units.

Incomes of enterprise workers depend on labor productivity and the quality and work efficacy of individual workers themselves, as well as of the enterprise as a whole. There is no limitation on maximum incomes. The state controls the enterprises' expenditures and income.

Article 41. Enterprises have the responsibility to contribute in full and on schedule to the social security funds and to correctly carry out the state system for social security. Enterprises must use their welfare funds for the purpose of improving the livelihood and social activities of workers and employees; developing secondary production activities and services, helping to develop the family-based economy; organizing cultural, healthcare, and tourism activities; and caring for retirees, the physically handicapped, and those eligible for the enterprise social assistance program.

Article 42. Enterprises shall devise emulation criteria and specific forms of commendation and awards designed to promote the emulation movement for production and thrift with attention given to making preliminary and final reviews in order to discover and multiply progressive models and experience.

#### V. Enterprise Finance [subhead]

Article 43. An enterprise is to be provided with initial liquid capital one time in accordance with state regulations. When the state readjusts prices or changes the tasks of the enterprise, that amount of capital shall be readjusted and supplemented accordingly. If the demand for capital increases in the course of production, the enterprise shall have to meet this demand with self-accumulated or borrowed capital.



An enterprise has the right to take the initiative in creating and constantly increasing its self-accumulated capital (including that in foreign currency) through production expansion, business operations, and economic integration.

All money obtained from the transfer and sale of supplies, raw material, and other liquid assets must be returned to the liquid capital of the enterprise.

Article 44. Enterprises, except for those newly established with a large source of capital, are allowed to retain in full their basic depreciation funds for the purpose of renewing their fixed assets in accordance with their own plans.

All money obtained from the transfer, sale, rental, and liquidation of fixed assets shall be included in the funds for enterprise production development.

Article 45. Enterprises have the right and responsibility to effectively use the various sources of their own lawful capital and flexibly utilize the various enterprise funds on the principle of reimbursement. When some capital in foreign currency is needed to meet production demands, enterprises having no products for export are allowed to buy foreign currency at the Foreign Trade Bank.

Article 46. The state shall establish the amounts of budget contribution to be made by enterprises in accordance with criteria and rates fixed for a period of 3 to 5 years.

The profit an enterprise is authorized to use is the remainder of its gross revenue minus gross expenditure and contributions to the State Budget.

The profit to be allocated to the various enterprise funds is the above profit minus unplanned credit interests and penalties (if any).

Based on the minimum amount of contribution to the production development funds established by the state, a congress of workers and employees shall decide on the allocation of money to the various enterprise funds.

Enterprises are required to allocate part of their production development funds to a financial reserve maintained by the higher echelons and allocate part of their welfare funds to the budget of the host locality in accordance with state regulations.

#### VI. Money-Credit-Payment [subhead]

Article 47. Enterprises are required to open accounts and deposit all sources of monetary capital (including foreign currency) not yet put into use in the bank; and will earn interest on their deposits, including those made in foreign currency. Enterprises have the right to withdraw their deposits, and the bank is responsible for promptly honoring their demands. If through its own fault, the bank causes an enterprise to suffer losses in production and business, it shall have to make material compensation.

Enterprises have the right to open their main accounts and make their transactions at the most convenient banking facility of their choice; and they may open secondary deposit and loan accounts at other banking facilities.

Article 48. Enterprises are entitled to liquid capital loans from banks for production and business in accordance with their plans based on their contracts signed with these banks.

Enterprises are entitled to fixed capital allocation from the state or loans from banks for capital construction in accordance with their approved plans. Within the source of capital transferred from the State Budget, banks must ensure prompt capital loans to enterprises.

Enterprises are entitled to capital loans from banks to carry out intensive or extensive investment projects if the banks think that these projects are potentially successful and if they have credit funds. When receiving priority capital loans from banks to carry out those technical innovations that promise quick success and early capital recovery, enterprises must ensure the payment of debts on schedule.

Article 49. Based on the projected wage funds registered by enterprises with banks, the banks must ensure the availability of money in cash for enterprises as monthly wages in accordance with their already registered plans under the conditions that the relevant enterprises still have money in their accounts. This debt must be settled by the enterprises at the end of each quarter and their wage-fund accounts must be balanced at the end of the year.

Article 50. Enterprises have the right to select suitable procedures for financial settlement with their customers.

Transactions between customers having bank accounts must be settled among themselves through the banks without using cash.

Enterprises must scrupulously comply with all the regulations regarding credit, financial settlement, and use of cash established by the state. If an enterprise satisfactorily fulfills its production and business plan, satisfactorily complies with credit and financial settlement contracts, it will be given preferential credit status by the bank. Any violation of the above regulations may result in the enterprise being liable to a material fine, or being denied capital loans and subjected to a compulsory system of financial settlement.

#### VII. Prices [subhead]

Article 51. Enterprises's prices for selling products are fixed according to rational production cost, the use-value of the products, the supply and demand situation in the market, and the state pricing policy.

As for those materials, products, or services that fall under the price list set by the state, enterprises must establish a pricing plan and submit it to higher authoritative echelons in accordance with the conditions set by the state for pricing and for the division of duties in price management.

Article 52. Enterprises have the right to fix a price or to agree on a price with their customers on those materials, products, and services that are outside the price list set by the state in accordance with the state's division of duties in price management.

Enterprises are dutybound to scrupulously comply with the state's pricing discipline.

#### VIII. Economic Integration [subhead]

Article 53. Enterprises have the right to take the initiative in achieving economic integration with production, business, scientific, or technical establishments without limitations to their area of operation and the kinds of their economic components. Enterprises can determine a direction for and the essence of their work and can select a form for their economic integration. An enterprise is authorized to establish economic integration with many different economic units.

Economic integration activities must be undertaken on a voluntary, equal, and mutually-beneficial basis, be reflected in the plans of relevant enterprises, and be implemented through economic contracts.

Article 54. All sides participating in economic integration are dutybound to scrupulously comply with the law and other economic management policies and systems of the state as well as with regulations governing economic integration or joint venture (if any).

In their relations of economic integration, state-run enterprises must develop their leading role, chiefly through various economic, scientific, and technical measures and through the efficiency of their production and business.

#### IX. Import-Export and Economic Cooperation With Foreign Countries [subhead]

Article 55. Enterprises producing goods for export are authorized to make contact with the world market; to borrow, buy, and sell foreign currencies at the Foreign Trade Bank; to issue shares and obtain loans from foreign countries and overseas Vietnamese to organize the production of goods for export on the principle of the enterprise assuming responsibility for its own operations, to cover its own expenses, and to fulfill its obligation to make contributions to the State Budget. Enterprises producing goods for export at the state's request are to be assured of the necessary material conditions by the state on a priority basis.

Article 56. Enterprises with earnings in foreign currencies must deliver to the State Budget part of these holdings at the rate fixed by state regulations (or as tax); the enterprises concerned may dispose of the remaining foreign currencies as they see fit. Enterprises borrowing capital from foreign countries to import materials and equipment for production purposes are exempt from—or entitled to a reduction of—delivery of foreign currency or tax payment in foreign currency to the State Budget as long as their debts are not paid.

Article 57. Enterprises which fulfill all the conditions set by the state are authorized to directly import and export products, directly develop cooperation or integration with foreign economic organizations for production purposes.

Enterprises must define by themselves their concrete orientation and objectives of cooperation, select partners and forms of cooperation, and have the right to sign economic contracts in accordance with the Law on Foreign Investment in Vietnam.

Article 58. Those enterprises which have products for export and need imports but are not directly engaged in import-export activities are empowered to select economic organizations to act as their agents in import-export activities or in transactions with foreign trade organizations.

In all import-export activities and in economic cooperation with foreign countries, enterprises are subject to state control in foreign trade and foreign exchange.

#### X. Economic Contracts [Subhead]

Article 59. All production and business relations between enterprises and other production and business organizations and establishments must be conducted through the signing and implementation of economic contracts as required by law.

All economic contract signatories are equal before the law and have the obligation to seriously honor all commitments in their contracts; any signatory who fails to honor his commitments will be held responsible before the law.

#### XI. Use of Natural Resources and Protection of Environment [Subhead]

Article 60. Enterprises are responsible for protecting and making rational and effective use of land and other natural resources related to their production and business activities. They must protect the environment from pollution and other harmful influences. Enterprises are to carry out these protective measures with their own means or with credits. In special cases when this task exceeds the capability of enterprises, it may be partly funded by the State Budget.



Enterprises must scrupulously discharge all other obligations as users of natural resources as determined by law.

#### **XII. Accounting, Bookkeeping, Reporting, Inspection, and Control [subhead]**

**Article 61.** Enterprises must strictly implement the unified bookkeeping and statistical system of the state.

Enterprises have the right to organize an appropriate statistical-bookkeeping apparatus under the direction of a chief accountant. Enterprise directors must ensure proper conditions for chief accountants to exercise their functions as state controllers posted in the enterprises.

**Article 62.** Enterprises must calculate the production costs of their products in strict accordance with the expenses, norms, and state economic-financial management systems and regulations.

**Article 63.** Enterprises are allowed to apply only one voucher and bookkeeping system as stipulated by state regulations, carry out the report-making and statistics-compiling system in strict accordance to the established requirements with the regard to their contents and schedule, and forward their reports and statistics documents to the right addressees as determined by regulations.

Enterprises must scrupulously implement the system of inspection and control by the next higher echelon or by the organs in charge, organs vested with general functions, and state law organs.

#### **Chapter V**

#### **Particular Regulations For United Enterprises**

**Article 64.** A united state enterprise (including a united production establishment and production-business corporation, commonly known as a united enterprise) is a basic production-business group encompassing a number of production-business units closely related in matters of manufacture and organization of production involving the cooperation of several sectors (processing, raw materials procurement, semi-finished products finished products manufacturing, general use of raw materials, combination of research and scientific-technical applications...).

The management apparatus of a united enterprise can be that of the central enterprise and has its head office in this central enterprise. When authorized by an organ empowered to decide on the establishment of the united enterprise, the latter may set up a separate management apparatus.

The head of a united enterprise is its general director. The director general may concurrently hold the position of director of the central enterprise.

The general director of a united enterprise has the right to make decisions on the structure of the management apparatus of its member units.

**Article 65.** The member units of a united enterprise do not have the full status of a juridical person and do not practice internal economic accounting. Depending on their production and business conditions and characteristics, some member units may have the full status of a juridical person and may practice economic accounting independently, but they must still operate according to the plan and under the unified accounting and management system of the united enterprise. The scope of economic accounting of the member units of a united enterprise is decided by the enterprise general director.

Depending on the requirements of production-business activities, the general director of a united enterprise may delegate the directors of its member units which do not enjoy the full status of a juridical person to sign a number of economic contracts and do business with other economic units. However, the general director must assume responsibility before the economic units concerned for the implementation of these contracts and business transactions.

**Article 66.** The member units of a united enterprise have the following duties and powers:

1. To effectively manage and utilize the property, materials, capital, and labor allocated by the united enterprise and to execute the transfer orders issued by this enterprise.

2. Aside from the production duties to be carried out under the general plan of the united enterprise, the member units are empowered to organize the production of by-products (or services) and have the sanction of the united enterprise in the disposal of the fruit of their labor, but must abide by the regulations of the united enterprise concerning products marketing and income distribution.

3. The member units with the full status of a juridical person may open bank accounts. If authorized by the united enterprise concerned, those member units without this status may open receipt-only or expense-only accounts as needed.

4. To implement the internal economic accounting system or independent accounting system as stipulated by the united enterprise's regulations.

5. Member units may accept wage-fund and bonus contracts and arrange the payments of wages and the application of material rewards or penalties in conformity to their own production and business characteristics and according to the division of managerial responsibility by the united enterprise. In addition to the general measures taken by the united enterprise, they may use the funds allocated to them and take the

initiative in solving the problems concerning the living conditions and social welfare of workers and civil servants in their units in accordance with their capability.

#### Chapter VI

##### Setting Up, Dividing, Merging, and Dissolving Enterprises and Changing their Forms of Ownership

Article 67. The setting up of enterprises must be based on the tasks and plans of the sectors and localities concerned and must be supported by economic and technical feasibility studies.

Centrally managed enterprises are set up by decisions of the cabinet ministers (or general directors) of the ministries (or general departments) in charge.

Important, large-scale central united enterprises in particular are set up by decisions issued by the chairman of the Council of Ministers at the proposal of the ministers of the ministries in charge.

Locally managed enterprises are set up by decisions of the chairmen of provincial, municipal, and special zone people's committees after consultations with the economic-technical management organs concerned at the center.

The contents of a decision on setting up an enterprise must clearly state its name, its production and business tasks, the office of its next higher echelon, and the date of the beginning of its operations.

Article 68. The division, merger, and dissolution of enterprises and the change of their forms of ownership must be decided by the organs empowered to issue decisions on setting up these enterprises. When making decisions on dividing, merging, and dissolving enterprises or on changing their forms of ownership, these organs must decide to establish a council composed of a representative of the next higher echelon (or the higher-level organ in charge), who will serve as its chairman, and representatives of the various organs concerned to discuss and resolve any problems posed by the division, merger, and dissolution of these enterprises and by the change of their forms of ownership, especially the problems regarding the disposal of property, materials, labor, and capital and regarding the continued discharge of the planned obligations toward the state and the contracted obligations toward the organizations and establishments concerned.

#### Chapter VII

##### Provisions on Implementation

Article 69. These regulations apply to all centrally or locally managed state-owned industrial enterprises. Concerning those enterprises operating under special conditions, the Council of Ministers will issue some supplementary regulations as needed.

The state organs vested with general functions are duty-bound to give guidance on the implementation of these regulations according to the managerial functions of their sectors.

The ministries and general departments in charge, and the people's committees of provinces, municipalities, and special zones directly subordinate to the central government are dutybound to guide subordinate enterprises in formulating their own organizational and operational by-laws and to ensure the concretization and scrupulous implementation of these regulations.

Article 70. Basing themselves on the stipulations of these regulations, the ministries and general departments in charge and the construction and transportation sectors are responsible for guiding the concrete application of these regulations in conformity to the characteristics of the enterprises in their own sectors.

For the Council of Ministers

[Signed] Acting Chairman Vo Van Kiet.

#### Briefs

##### Nicaraguan Youth Visit

Hanoi VNA April 14—A delegation of the Sandinist Youth 19 July (Nicaragua) led by Pero Murtado, first secretary of the executive committee of the organization, has arrived here for an official visit to Vietnam. While here, the delegation met with the leadership of the Ho Chi Minh Communist Youth Union Executive Committee and visited the youth organization in Hanoi, Ho Chi Minh city, and Lang Son and Tay Ninh provinces. Host and guest exchanged views on youth mobilization in national construction and defence, and in making active contributions to keeping peace and security in the region and elsewhere in the world. [Text] [BK150230 Hanoi VNA in English 1537 GMT 14 Apr 88]

##### Japanese Loan for Sericulture

Hanoi VNA April 15—The Japanese Company VELK has agreed to grant a loan of 1.2 million dollars to Vietnam for the import of an automatic silk threading workshop with an annual capacity 20 tons of high-quality silk, and other equipment. Under an agreement signed recently in Vietnam by VELK President I. Tsuchitani and General Director of the Vietnam United Mulberry and Silk Enterprise Nguyen Van, the Japanese company will also send specialists to install the equipment and initiate Vietnamese workers with operating them. The loan will be repaid in two years through the sale of silk to the VELK Company. The agreement is intended to develop sericulture in the central highlands province of Lam Dong, and raise the quality of the Vietnamese silk to international standard. [Text] [BK150900 Hanoi VNA in English 0727 GMT 15 Apr 88]



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